

FIRST DIVISION

[G.R. No. 183589, June 25, 2014]

CHARLIE LIM (REPRESENTED BY HIS HEIRS) AND LILIA SALANGUIT,^[1] PETITIONERS, VS. SPOUSES DANILO LIGON AND GENEROSA VITUG-LIGON, RESPONDENTS.

D E C I S I O N

VILLARAMA, JR., J.:

At bar is a petition for review on certiorari of the Decision^[2] and Resolution^[3] of the Court of Appeals (CA) in CA-G.R. CV No. 84284 dated December 28, 2007 and July 3, 2008, respectively, affirming with modification the Decision^[4] of the Regional Trial Court (RTC) of Nasugbu, Batangas. The case arose from an action^[5] for Quieting of Title, Recovery of Possession and Damages with Prayer for a Temporary Restraining Order and Preliminary Injunction, filed by herein respondents before the court *a quo* involving the subject land located at Sitio Kuala, Barangay Wawa, Nasugbu, Batangas, with an area of 9,478 square meters and covered by Transfer Certificate of Title (TCT) No. TP-1792.^[6]

The following undisputed findings of facts, as found by the trial court, are stated in the opinion of the CA:

As synthesized from the admissions made by the parties in their respective pleadings, the documentary and testimonial evidence adduced during the proceedings[,] it appears that sometime in 1970, one Tomas Fernandez filed a Free Patent Application over a parcel of land situated in Sitio Kuala, Barangay Wawa, Nasugbu, Batangas with an area 9,[478] sq. meters. After the death of Tomas Fernandez, his son Felicisimo pursued the application and on 25 April 1984, the survey plan under Psu No. 04-008565 was approved by the Bureau of Lands.

In 1985, the spouses Isaac and Concepcion Ronulo asked the assistance of the Office of the President and requested investigation of their claim that a parcel of land containing **1,000 square meters** which they have been occupying since the 1950s was included in the approved survey plan PSU-04-008565 in the name of Tomas Fernandez.

The Office of the President referred the matter to the Bureau of Lands which in turn referred the same to the DENR-Region IVB for appropriate action.

On October 9, 1995, Regional Director Antonio Prinsipe of DENR Provisional Region IV-A issued an Order in DENR Case No. IV-5516, the dispositive portion of which reads:

"WHEREFORE, premises considered and finding the protest of Spouses Isaac and Concepcion Ronulo to be meritorious, the plan PSU-04-008565 approved in the name of Tomas Fernandez is hereby, as it is, ordered CANCELLED and whatever amount paid on account thereof forfeited in favor of the Government. Consequently, the aforementioned spouses Ronulo are hereby advised to cause the survey and to file the appropriate public land application over the land actually possessed and occupied by them. (Exh. A-2)."

The above order was appealed by Felicisimo Fernandez to the Office of the DENR Secretary and was docketed therein as DENR Case No. 5101.

On 20 October 1995, the already widowed Concepcion Ronulo executed an Affidavit of Waiver of Rights over the parcel of land subject of DENR Case No. IV-5516 in favor of herein defendant Lim who will "file the appropriate public land application (Exh. A-3)." On the same date, the children of Concepcion Ronulo executed an affidavit of conformity to the waiver, conveyance and transfer of the property subject of DENR Case No. IV-5516 in favor of Charlie Lim (Exh. A-4).

In the meantime, herein plaintiffs Spouses Danilo Ligon and Generosa Vitug-Ligon purchased the subject property from Felicisimo Fernandez and introduced improvements thereon, including a beach house. On 31 October 1995, TCT No. TP-1792 (Exh. A-1) of the Registry of Deeds of Nasugbu, Batangas was issued in the name of the spouses Ligon based on Free Patent No. (IV03A) issued on 11 December 1986 and an analogous Original Certificate of Title No. OP-1808 (Exh. B) dated 16 December 1993, both in the name of Felicisimo Fernandez.

On 09 September 1996, defendant Lim filed a complaint for forcible entry against the petitioners with the Municipal Trial Court of Nasugbu, Batangas involving the subject property. The case was docketed as Civil Case No. 1275. On May 26, 1997, the trial court rendered judgment (Exh. A-5) in favor of private respondent and ordered petitioners to vacate the subject land. The trial court based its decision on the alleged finality of the Order dated 09 October 1995 issued by Regional Director Prinsipe in DENR Case No. IV-5516.

Plaintiffs appealed the adverse decision to the Regional Trial Court of Nasugbu, Batangas but the same was affirmed in a decision dated 12 January 1998 (Exh. A-6).

On 20 July 1998, plaintiffs appealed the RTC decision to the Court of Appeals by way of a petition for review. In a decision (Exh. A-7) dated 20 January 1999, the Court of Appeals dismissed the petition for review.

On 28 May 1999, the DENR Secretary rendered a decision (Exh. A-8) in DENR Case No. 5102 reversing the order of Regional Director Prinsipe in DENR Case No. IV-5516 dated 09 October 1995, dismissing the protest of the Ronulos, and ordering that TCT No. TP-1792 in the name of plaintiffs "shall remain undisturbed."

On 14 July 1999, the Ronulos filed a motion for reconsideration of the above decision. In an order (Exh. A-9) dated 21 December 1999, the DENR Secretary denied the motion for reconsideration.

On 16 January 2000, the Ronulos filed a second motion for reconsideration of the decision of the DENR Secretary in DENR Case No. 5102.

Meanwhile, as a result of the finality of the judgment in the ejectment case, plaintiffs were evicted from the subject property. On 01 March 2000, they filed the instant suit before this Court, a complaint against defendant Lim and his representative, Lilia Salanguit, for Quieting of Title, Recovery of Possession and Damages with prayer for a TRO and Preliminary Injunction, to restore them to their possession of the subject property and to enjoin herein defendant Lim from demolishing their beach house.

On 10 April 2000, this Court denied plaintiffs' application for injunctive relief as a result of which plaintiffs' beach house was demolished by the Branch Sheriff on the motion of defendants.

On 16 April 2000, plaintiffs filed a supplemental complaint for additional damages as a result of the demolition of their beach house worth about P7 million. Defendants did not answer the supplemental complaint despite being ordered to do so.

During the pre-trial on 08 August 2000, the parties agreed to hold hearings on 25 September, 06 October and 20 October 2000. However, the first two hearing dates were cancelled at the instance of the defendants. During the scheduled hearing on 20 October 2000, defendant and counsel did not appear. Instead, Judge Antonio de Sagun, then the Honorable Presiding Judge informed plaintiffs that herein defendant Lim filed a Motion to Suspend Proceedings on the ground that the denial of the second motion for reconsideration in DENR Case No. 5102 was appealed to the Office of the President. In his motion, defendant alleged that trial should be suspended pending "final adjudication of the case (DENR Case No. 5102) before the Office of the President where the issue of validity of plaintiff's title is squarely involved.

In an Order dated 13 November 2000, this Court granted the motion to suspend proceedings. Petitioners filed a motion for reconsideration but the same was denied by then Presiding Judge Antonio de Sagun in an order dated 10 January 2001.

On February 19, 2001, plaintiffs filed a Petition for Certiorari before the Court of Appeals in CA-G.R. SP No. 63441, assailing the suspension of proceedings ordered by this Honorable Court which, after due proceedings, was granted and the Order dated November 13, 2000 issued by this Court suspending the proceedings of this case reversed and set aside in a Decision of the said appellate court dated March 6,

2002.

No motion for reconsideration or any appellate recourse to the Supreme Court having been interposed by defendants, plaintiffs on June 7, 2002, moved to set this case for further proceedings. This Court granted the motion and this case was set for trial on August 30, 2002 at 8:30 a.m.

On August 30, 2002, in view of the absence of the defendants and their counsel despite due notice, evidence for plaintiffs was presented ex-parte with plaintiff Danilo Ligon taking the witness stand. After plaintiff's direct examination, this Court ordered a resetting of the case for cross-examination by defendants on November 18, 2002 at 8:30 a.m. Counsel and his witness plaintiff Danilo Ligon were present during the November 18, 2002 scheduled trial in which defendants were properly notified. Defendants and counsel were absent prompting this Honorable Court, upon plaintiff's motion to consider the cross-examination of plaintiff Danilo Ligon by defendants as waived; the continued absence of the defendants as indicative of lack of interest to further defend this case; Grant plaintiff's motion for ten (10) days within which to file Formal Offer of Evidence and thirty (30) days from November 18, 2002, within which to file their Memorandum. After which, this case will be deemed submitted for decision.^[7]

In its decision dated February 3, 2004, the RTC ruled, viz.:

WHEREFORE, premises considered, judgment is rendered for the plaintiffs as follows:

1. Confirming the ownership of the plaintiffs and right of possession over the property;
2. Ordering the defendants to indemnify the plaintiffs the sum of P6,000,000.00 for indecent haste in causing the demolition of plaintiffs' house;
3. Ordering the defendants to pay plaintiffs the sum of P50,000.00 a month as monthly rental for the duration of the period they are deprived thereof commencing the month of November 1999;
4. Ordering the defendants to pay plaintiffs the sum of P1,000,000.00 as moral damages; and
5. Ordering the defendants to pay plaintiffs the sum of P500,000.00 as attorney's fees and the costs.

SO ORDERED.^[8]

Petitioners appealed the RTC decision with the CA alleging that the lower court erred in deciding the case based on the ex-parte evidence presented by respondents, in

ruling that Felicísimo was the original owner of the questioned property, in ruling that the Order of the Department of Environment and Natural Resources (DENR) Regional Executive Director was a collateral attack against TCT No. TP-1792 of the Spouses Ligon, in ruling that the Spouses acquired the subject property in good faith, in not giving weight and credit to the Resolution of the Office of the President (OP) dated March 24, 2004, in ordering Lim and Salangit to pay a monthly rental of P50,000.00 for the duration of the period that the Spouses Ligon have been deprived of their property, and in ordering Lim and Salangit to pay the Spouses Ligon attorney's fees.

In its assailed Decision dated December 28, 2007, the appellate court dismissed the appeal, *viz.*:

WHEREFORE, in the light of the foregoing, the appeal is **DISMISSED** for utter lack of merit. The challenged *decision* of the Regional Trial Court of Nasugbu, Batangas, Branch 14 is **AFFIRMED** with the **MODIFICATION** that the awards of P6,000,000.00 as indemnity and P50,000.00 representing the monthly rental for the subject property to the plaintiffs-appellees are **DELETED** for lack of factual basis. Costs against the defendants-appellants.

SO ORDERED.^[9]

Petitioners moved for reconsideration^[10] while respondents filed their Opposition To Motion For Reconsideration^[11] in compliance with the directive of the appellate court. In a Resolution dated July 3, 2008, the CA denied reconsideration for lack of merit. Hence, this appeal raising the following issues:

WHETHER OR NOT THE PRINCIPLE OF EXHAUSTION OF ADMINISTRATIVE REMEDIES IS APPLICABLE IN THIS CASE IN LINE WITH [THE] PRINCIPLE OF RES JUDICATA OF A DECISION OF A QUASI-JUDICIAL AGENCY SUCH AS THE OFFICE OF THE PRESIDENT?

WHETHER OR NOT THE LOWER COURT AND THE COURT OF APPEALS RENDERED AN UNJUST JUDGMENT IN DEPRIVING THE PETITIONERS OF THEIR OWNERSHIP OVER THE SUBJECT PROPERTY BASED ON TECHNICALITY?

WHETHER OR NOT THE FINALITY OF THE JUDGMENT IN THE EJECTMENT CASE SERVED AS RES JUDICATA WITH RESPECT TO THE ISSUE OF PRIOR POSSESSION OF THE SPOUSES RONULOS (THE PREDECESSORS-IN-INTEREST OF THE PETITIONERS)?

WHETHER OR NOT THE COURT OF APPEALS ERRED IN AFFIRMING THE OWNERSHIP OF THE RESPONDENTS AND THE AWARD OF MORAL DAMAGES AS WELL AS ATTORNEYS FEES?^[12]

We deny the petition.