

THIRD DIVISION

[G.R. No. 191101, October 01, 2014]

**SPOUSES MARIO OCAMPO AND CARMELITA F. OCAMPO,
PETITIONERS, VS. HEIRS OF BERNARDINO U. DIONISIO,
REPRESENTED BY ARTEMIO SJ. DIONISIO, RESPONDENTS.**

D E C I S I O N

REYES, J.:

Before this Court is a petition for review on *certiorari*^[1] under Rule 45 of the Rules of Court seeking to annul and set aside the Decision^[2] dated July 2, 2009 and Resolution^[3] dated January 27, 2010 issued by the Court of Appeals (CA) in CA-G.R. SP No. 106064, which affirmed the Decision^[4] dated September 3, 2008 of the Regional Trial Court (RTC) of Binangonan, Rizal, Branch 69, in SCA Case No. 08-014.

The Facts

On August 28, 1996, Bernardino U. Dionisio (Dionisio) filed a complaint^[5] for forcible entry with the Municipal Trial Court (MTC) of Cardona, Rizal, docketed as Civil Case No. 96-0031 (forcible entry case), against Mario Ocampo (Mario) and Felix Ocampo (Felix). Dionisio sought to recover the possession of a portion of his property, covered by Original Certificate of Title (OCT) No. M-4559, situated in Dalig, Cardona, Rizal, alleging that Mario and Felix built a piggery thereon without his consent. In his answer,^[6] Mario denied Dionisio's allegation, claiming that the disputed parcel of land is owned by his wife, Carmelita Ocampo (Carmelita), who inherited the same from her father. Mario further claimed that they have been in possession of the said parcel of land since 1969.

On September 12, 1997, the MTC rendered a decision,^[7] which dismissed the complaint for forcible entry filed by Dionisio. The MTC opined that Dionisio failed to establish his prior possession of the disputed parcel of land. Dionisio's notice of appeal was denied by the MTC in its Order^[8] dated January 26, 1998 for having been filed beyond the reglementary period.

Dionisio died on September 27, 1997. Consequently, on July 3, 1998, the heirs of Dionisio (respondents), filed a complaint^[9] for recovery of possession with the MTC, docketed as Civil Case No. 98-0006 (recovery of possession case), against the spouses Mario and Carmelita (petitioners). The respondents sought to recover the same portion of the parcel of land subject of Civil Case No. 96-0031.

The respondents averred that the subject property was acquired by Dionisio on February 10, 1945 when he purchased the same from Isabelo Capistrano. That Dionisio thereafter took possession of the subject property and was able to obtain a free patent covering the subject property. OCT No. M-4559 was subsequently issued

in the name of Dionisio on December 22, 1987. The respondents further claimed that sometime in 1995, Mario constructed a piggery on a portion of the subject property without their consent.^[10]

In their answer,^[11] the petitioners maintained that the subject parcel of land is owned by Carmelita, having acquired the same through inheritance and that they have been in possession thereof since 1969. Additionally, the petitioners claimed that the respondents' complaint for recovery of possession of the subject property is barred by *res judicata* in the light of the finality of the decision in the forcible entry case.

On February 18, 2008, the MTC rendered a decision^[12] dismissing the complaint for recovery of possession filed by the respondents on the ground of *res judicata*. Thus:

The Court has taken cognizance of the fact that the earlier case for forcible entry docketed as Civil Case No. 96-0031 was filed by Bernardino U. Dionisio against the same defendant Mario Ocampo before this Court on August 28, 1996, and a decision based on the merit was rendered on September 12, 1997 where this Court ruled to dismiss the complaint for failure on the part of the plaintiff to establish their prior possession of the land and sufficient evidence to establish cause of action by preponderance of evidence.

x x x x

Hence, the present complaint must be dismissed on ground of *res judicata*.

The material fact or question in issue in the forcible entry is for recovery of possession which was conclusively settled in the decision dated September 12, 1997, such fact or question may not again be litigated in the present action for *accion publiciana*, although covered by ordinary civil proceeding, but technically has the same purpose, a suit for recovery of the right to possess.^[13]

On appeal, the RTC rendered a Decision^[14] on September 3, 2008, the decretal portion of which reads:

WHEREFORE, premises considered, the appealed decision of Municipal Trial Court of Cardona, Rizal, dated February 8, 2008, is hereby REVERSED and SET ASIDE and a new one rendered in favor of the plaintiffs-appellants as follows:

1. Declaring plaintiffs-appellants as entitled to possession for being the lawful owners of the lands described under paragraph II of the complaint and covered by Original Certificate of Title No. M-4559.

2. Ordering the defendants-appellees and all persons claiming rights under them to vacate the parcel of land located at Dalig, Cardona, Rizal with an area of 225 square meters covered by Original certificate of Title No. M-4559 in the name of Bernardino Dionisio and more particularly described under paragraph 2 of the complaint, to remove the improvements thereon and deliver its possession to the plaintiffs.
3. Ordering the defendants-appellees to pay plaintiffs-appellants P10,000.00 as attorney's fees and litigation expenses of P5,000.

SO ORDERED.^[15]

The RTC ruled that the MTC erred in dismissing the respondents' complaint for recovery of possession of the subject property solely on the ground of *res judicata*. The RTC opined that the forcible entry case, only involves the question of who has a better right to the possession of the subject property while the recovery of possession case not only involves the right to the possession of the subject property, but the ownership thereof as well. The RTC stressed that a judgment rendered in a forcible entry case will not bar an action for recovery of possession based on title or ownership since there is no identity of cause of action as between the two cases.

Further, the RTC held that the respondents were able to establish that the subject property is indeed part of the parcel of land covered by OCT No. M-4559 registered in the name of Dionisio. Considering that OCT No. M-4559 is registered under the name of Dionisio, the RTC opined that the respondents, as successors-in-interest of Dionisio, are entitled to the possession of the subject property as an attribute of their ownership over the same. On the other hand, the RTC averred that the petitioners failed to adduce sufficient evidence to support their claim that they indeed own the subject property.

Unperturbed, the petitioners filed a petition for review with the CA, alleging that the RTC erred in setting aside the MTC Decision dated February 18, 2008. They maintained that the finality of the decision in the forcible entry case constitutes *res judicata*, which would warrant the outright dismissal of the respondents' complaint for recovery of possession; that the respondents were not able to sufficiently prove their ownership of the subject property. The petitioners further contended that OCT No. M-4559 registered in the name of Dionisio was irregularly issued. They likewise claimed that respondents' cause of action in the recovery of possession case is already barred by *laches*.

On July 2, 2009, the CA rendered the herein assailed decision,^[16] which affirmed the RTC Decision dated September 3, 2008. The CA held that the doctrine of *res judicata* cannot be applied in this case since there is no identity of cause of action as between the forcible entry case and the recovery of possession case. The CA likewise affirmed the RTC's finding that the respondents, as successors-in-interest of Dionisio, have sufficiently established their ownership of the subject property and, hence, are entitled to the possession thereof. Further, the CA held that the respondents' cause of action is not barred by *laches*.

The petitioners sought a reconsideration of the Decision dated July 2, 2009, but it was denied by the CA in its Resolution^[17] dated January 27, 2010.

Hence, the instant petition.

Issues

Essentially, the issues set forth by the petitioners for this Court's resolution are the following: (1) whether the finality of the decision in the forcible entry case constitutes *res judicata*, which would warrant the dismissal of the respondents' complaint for recovery of possession; (2) whether the respondents were able to establish their ownership of the subject property; and (3) whether the respondents' cause of action is already barred by *laches*.

The Ruling of the Court

The petition is denied.

First Issue: *Res Judicata*

The doctrine of *res judicata* is laid down under Section 47, Rule 39 of the Rules of Court, which pertinently provides that:

Sec. 47. *Effect of judgments or final orders.* — The effect of a judgment or final order rendered by a court of the Philippines, having jurisdiction to pronounce the judgment or final order, may be as follows:

x x x x

(b) In other cases, the judgment or final order is, with respect to the matter directly adjudged or as to any other matter that could have been raised in relation thereto, conclusive between the parties and their successors in interest by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity; and

(c) In any other litigation between the same parties or their successors in interest, that only is deemed to have been adjudged in a former judgment or final order which appears upon its face to have been so adjudged, or which was actually and necessarily included therein or necessary thereto.

This provision comprehends two distinct concepts of *res judicata*: (1) bar by former judgment and (2) conclusiveness of judgment.^[18] In *Judge Abelita III v. P/Supt. Doria, et al.*,^[19] the Court explained the two aspects of *res judicata*, thus:

There is "bar by prior judgment" when, as between the first case where the judgment was rendered and the second case that is sought to be