

## FIRST DIVISION

[ G.R. No. 137794, August 11, 2010 ]

**ERLINDA REYES AND ROSEMARIE MATIENZO, PETITIONERS, VS. HON. JUDGE BELEN B. ORTIZ, PRESIDING, BRANCH 49, METROPOLITAN TRIAL COURT, CALOOCAN CITY; SPOUSES BERNARD AND FLORENCIA PERL, REPRESENTED BY ATTORNEY-IN-FACT BENJAMIN MUCIO; HON. JUDGE VICTORIA ISABEL A. PAREDES, PRESIDING, BRANCH 124, REGIONAL TRIAL COURT, CALOOCAN CITY AND SEGUNDO BAUTISTA, RESPONDENTS.**

[G.R. No. 149664 ]

**SPS. ALBERTO EMBORES AND LOURDES EMBORES, SPS. ROBERTO AND EVELYN PALAD, DENNIS HENOSA AND CORAZON LAURENTE, PETITIONERS, VS. HON. RAYMUNDO G. VALLEGA, PRESIDING JUDGE, BRANCH 52, METROPOLITAN TRIAL COURT, CALOOCAN CITY; HON. ELEANOR R. KWONG, PRESIDING JUDGE, BRANCH 51, METROPOLITAN TRIAL COURT, CALOOCAN CITY; HON. JUDGE BELEN B. ORTIZ, PRESIDING JUDGE, BRANCH 49, METROPOLITAN TRIAL COURT, CALOOCAN CITY; VICTORIA C. SALIRE-ALBIS, REPRESENTED BY HER ATTORNEY-IN-FACT MR. MENELIO C. SALIRE; MA. FE R. ROCO, ALFREDO TAN, MANUELITO ESTRELLA; AND HON. JUDGE ANTONIO FINEZA, PRESIDING JUDGE, BRANCH 131, REGIONAL TRIAL COURT, CALOOCAN CITY, RESPONDENTS.**

## D E C I S I O N

**LEONARDO-DE CASTRO, J.:**

The instant cases are consolidated Petitions<sup>[1]</sup> for Declaratory Relief, *Certiorari*, and Prohibition. The petitioners in G.R. No. 137794 seek to declare null and void the proceedings in Civil Case No. 23477, an ejectment case, before the Metropolitan Trial Court (MeTC), Caloocan City, Branch 49, and Civil Case No. C-17725, a complaint for Recovery of Possession and Ownership, filed with the Regional Trial Court (RTC), Caloocan City, Branch 124;<sup>[2]</sup> while the petitioners in G.R. No. 149664 pray for the nullity of the following ejectment proceedings before the different branches of the Caloocan City MeTC: (1) Civil Case No. 99-25011, Branch 52; (2) Civil Case No. 22559 and Civil Case No. 18575, Branch 49 and its appeal to the RTC, Branch 131; (3) Civil Case No. 00-25892, Branch 51; and (4) Civil Case No. 00-25889, Branch 51.<sup>[3]</sup> G.R. No. 149664 was considered closed and terminated by the Court's Resolution dated August 30, 2006.<sup>[4]</sup>

The parcels of land which are the subject matter of these cases are part of the Tala Estate, situated between the boundaries of Caloocan City and Quezon City and

encompassing an area of 7,007.9515 hectares more or less.<sup>[5]</sup>

In G.R. No. 137794, respondents Segundo Bautista and spouses Bernard and Florencia Perl sought the ouster from the contested lots of Erlinda Reyes, spouses Rene and Rosemarie Matienzo and Sergio Abejero, who are occupants of separate home lots in Camarin, Caloocan City.

The first case was commenced on December 11, 1996, by respondent Segundo Bautista, a registered owner of the parcel of land occupied by spouses Rene and Rosemarie Matienzo. The case was a complaint for Recovery of Possession and/or Ownership of Real Property (**Recovery case**) against the latter spouses with the RTC Caloocan City, Branch 124.<sup>[6]</sup> This was docketed as Civil Case No. C-17725.<sup>[7]</sup>

Shortly thereafter, a separate but related action, was initiated by the Republic of the Philippines, represented by the Director of Lands on December 27, 1996, before the Quezon City RTC, Branch 85 (re-raffled to Branch 93).<sup>[8]</sup> This was a complaint for Annulment of Title/Reversion (**Annulment/Reversion case**) against Biyaya Corporation and the Register of Deeds of the Cities of Pasig, Caloocan, and Quezon, the City of Manila, and the Administrator of the Land Registration Authority involving the Tala Estate. The case, docketed as Civil Case No. Q-96-29810, sought to declare null and void the transfer certificates of title issued in the name of Biyaya Corporation, and all derivative titles emanating therefrom, and to declare the land in suit to be reverted to it as part of the patrimonial property of the State, and the same be awarded to the actual occupants. One of the intervenors therein is Samahan ng Maliliit na Magkakapitbahay (SAMAKABA) of which petitioners Erlinda Reyes and Rosemarie Matienzo are members.<sup>[9]</sup>

On May 28, 1997, the Quezon City RTC in the Annulment/Reversion case issued a Preliminary Injunction (**Injunction**) freezing all ejectment cases involving the Tala Estate pending in the MeTCs of Quezon City and Caloocan City.<sup>[10]</sup>

Believing that the Injunction issued by the Quezon City RTC can be beneficial to them in the Recovery case pending before the Caloocan City RTC, on June 27, 1997, spouses Rene and Rosemarie Matienzo filed a motion to suspend the proceedings of the Recovery case.<sup>[11]</sup> On December 8, 1997, the Caloocan City RTC, Branch 124 denied said motion.<sup>[12]</sup> Spouses Matienzo moved for the reconsideration of the motion, but the same was denied on May 14, 1998.<sup>[13]</sup> The spouses received the order denying their motion for reconsideration on June 9, 1998.<sup>[14]</sup> Trial on the merits started on December 2, 1998.<sup>[15]</sup>

The second case, an ejectment complaint, was commenced by spouses Bernard and Florencia Perl on June 25, 1997, against Erlinda Reyes before the Caloocan City MeTC, Branch 49.<sup>[16]</sup> It was docketed as Civil Case No. 23477. Shortly thereafter, on July 8, 1997, spouses Perl filed the third case, an ejectment action against Sergio Abejero. The case, which was raffled off to Branch 49 of the Caloocan City MeTC, was docketed as Civil Case No. 23519.<sup>[17]</sup> Subsequently, these two ejectment cases were consolidated (**Ejectment cases**).<sup>[18]</sup> In her Answer and during the preliminary conference, Erlinda Reyes moved for the suspension of the proceedings and/or for the dismissal of these cases citing the Injunction issued in Civil Case No.

Q-96-29810.<sup>[19]</sup> In its Order<sup>[20]</sup> dated January 22, 1999, the MeTC did not entertain Reyes's motion, instead, it required her to submit a position paper. Erlinda Reyes received the order on March 11, 1999.<sup>[21]</sup> On April 16, 1999, the trial court issued a Decision ordering Erlinda to vacate the contested property.<sup>[22]</sup>

The Recovery case and the Ejectment cases converged when petitioners Rosemarie Matienzo and Erlinda Reyes, joined on March 25, 1999 in filing directly with this Court the instant petition denominated as "Declaratory Relief, *Certiorari*, and Prohibition," mainly assailing the denial of their respective motions for suspension.<sup>[23]</sup> Petitioners Matienzo and Reyes asked that the proceedings in the Ejectment cases and the Recovery case be declared null and void for violating the Injunction order of the Quezon City RTC. This case is docketed as G.R. No. 137794.

During the pendency of G.R. No. 137794, certain events supervened when the Ejectment cases ran their course and petitioner Reyes appealed the MeTC decision to the RTC. In the RTC, the Ejectment cases were docketed as Civil Cases Nos. C-18904-05.<sup>[24]</sup> Apparently, respondent-spouses Perl moved for the execution of the MeTC decision pending appeal, which the RTC granted as the Writ of Execution was thereafter issued on October 20, 2000.<sup>[25]</sup> Petitioner Erlinda Reyes and company, thus, filed with this Court a motion to suspend the proceedings in the RTC. <sup>[26]</sup> On October 25, 2000, this Court issued a Temporary Restraining Order restraining the implementation of the said writ of execution.<sup>[27]</sup>

G.R. No. 149664, on the other hand, emanated from four distinct ejectment complaints filed against petitioners Corazon Laurente, spouses Alberto and Lourdes Embores, spouses Roberto and Evelyn Palad, and Dennis Henosa.<sup>[28]</sup> The parcels of land from which petitioners were sought to be evicted were located in Camarin, Caloocan City and within the Tala Estate.<sup>[29]</sup> Petitioners were members of Alyansa Ng Mga Naninirahan Sa Tala Friar Lands (ALNATFRAL), an intervenor in the Reversion case.<sup>[30]</sup> These ejectment cases were all filed after the Injunction order was issued on May 28, 1997 by the Quezon City RTC in the Annulment/Reversion case. Thus, petitioners separately invoked the said injunction in seeking the dismissal or suspension of the four ejectment cases. Petitioners' motions for suspension were dismissed and the trial court proceeded to render judgments on these cases. Petitioners resorted directly to this Court in seeking the declaration of nullity of the proceedings of these ejectment cases for violating the prevailing injunction issued by the Quezon City RTC.

Meanwhile, on March 4, 2003, the petitioners in G.R. No. 149664 filed a motion for consolidation asking that the said case be consolidated with G.R. No. 137794.

On April 28, 2003, this Court resolved to consolidate the two cases.

On July 28, 2006, petitioners in G.R. No. 149664 filed a Motion to Withdraw and/or Dismiss Instant Petition<sup>[31]</sup> stating that since a decision in the Annulment/Reversion case (Civil Case No. Q-96-29810) was already issued (although they did not attach a copy thereof), the petition is therefore rendered moot and academic as the injunction order was effective only pending determination of the merits.

On August 30, 2006, the Court granted the motion to withdraw petition in G.R. No. 149664 and considered the same closed and terminated.<sup>[32]</sup> On October 11, 2006, G.R. No. 149664 became final and executory.

What remains to be resolved, therefore, are the issues raised in G.R. No. 137794.

In their bid to declare null and void the proceedings in the Recovery case and the Ejectment cases, petitioners argued that the Caloocan City MeTC, where the Ejectment cases were filed, and the Caloocan City RTC where the Recovery case was pending, were divested of jurisdiction since the Quezon City RTC acquired jurisdiction over the subject matter.<sup>[33]</sup> Petitioners specifically alleged that the MeTC's refusal to suspend the Ejectment cases despite the Injunction order is tantamount or amounting to lack of or excess of jurisdiction. As to the Caloocan City RTC, its desistance to heed the Injunction is unjustified and contrary to well-settled jurisprudence.<sup>[34]</sup> Petitioners were of the view that the interference by the Quezon City RTC was justified since no third-party claim is involved.<sup>[35]</sup>

The Office of the Solicitor General (OSG) adopts the position of petitioners in praying that the orders denying the motion to suspend proceedings and the proceedings that transpired in the Ejectment cases be set aside for having been issued with grave abuse of discretion.<sup>[36]</sup> Citing *Honda Giken Kogyo-Kabushiki Kaisha v. San Diego*,<sup>[37]</sup> where it was held that a writ of injunction may be issued to a court by another court superior in rank, the OSG maintains that the Injunction issued by the Quezon City RTC in Civil Case No. Q-96-29810 covers all metropolitan trial courts including the Ejectment cases in Caloocan City MeTC, Branch 49.<sup>[38]</sup> The OSG also maintains that the Injunction was in accordance with the settled jurisprudence where the reversion case is being filed by the State.

Respondent Segundo Bautista contends that petitioners resorted to a wrong remedy. He argues that the action for declaratory relief can only prosper if the statute, deed, or contract has not been violated.<sup>[39]</sup> Hence, where the law or contract has already been breached prior to the filing of the declaratory relief, courts can no longer assume jurisdiction since this action is not geared towards the settling of issues arising from breach or violation of the rights and obligations of the parties under a statute, deed, and contract, but rather it is intended to secure an authoritative statement for guidance in their enforcement or compliance of the same.<sup>[40]</sup> Since the Injunction order of the Quezon City RTC had already been violated as early as December 8, 1997 by the Caloocan City RTC in the Recovery case, or before the filing of this instant petition, resort to Rule 63 of the Rules of Court would not lie. Respondent Bautista insists that the instant recourse of petitioner Matienzo was resorted to as a ploy to substitute the filing of *certiorari* under Rule 65, which she already lost since the 60-day period had already expired.<sup>[41]</sup> Respondent points out that direct resort to this Court violates the rule on the hierarchy of courts. Since it was the Caloocan City RTC which denied petitioner Matienzo's motion to suspend proceedings, the petition for declaratory relief should have been filed with the Court of Appeals. Direct filing with this Court is not justified as, other than making motherhood statements, petitioner Matienzo failed to state clearly the exceptional and compelling circumstances to justify the exercise of this Court's primary jurisdiction.<sup>[42]</sup> He likewise contends that the Caloocan City RTC did not err in not suspending the proceedings in the Recovery case,

notwithstanding the Injunction issued by the Quezon City RTC, since the said injunction applied only to the MeTCs of Quezon City and Caloocan City so the RTC was excluded from the injunction order. He avers that it is the Caloocan City RTC which is vested with the jurisdiction to hear and decide the case until its final conclusion since it had acquired the same ahead of the Quezon City RTC. He states that being co-equal, the Quezon City RTC had no authority to stop by injunction the Caloocan City RTC and even though there are instances where another court may exercise coordinate jurisdiction in cases where there are justifiable grounds, here, petitioner Matienzo has not alleged any of those circumstances.

Petitioners insist that this is mainly a petition for declaratory relief. Section 1, Rule 63 of the 1997 Rules of Court provides:

SECTION 1. *Who may file petition.* -- Any person interested under a deed, will, contract or other written instrument, or whose rights are affected by a statute, executive order or regulation, ordinance, or any other governmental regulation may, before breach or violation thereof, bring an action in the appropriate Regional Trial Court to determine any question of construction or validity arising, and for a declaration of his rights or duties, thereunder.

An action for the reformation of an instrument, to quiet title to real property or remove clouds therefrom, or to consolidate ownership under Article 1607 of the Civil Code, may be brought under this Rule.

The foregoing section can be dissected into two parts. The first paragraph concerns declaratory relief, which has been defined as a special civil action by any person interested under a deed, will, contract or other written instrument or whose rights are affected by a statute, ordinance, executive order or regulation to determine any question of construction or validity arising under the instrument, executive order or regulation, or statute and for a declaration of his rights and duties thereunder. The second paragraph pertains to (1) an action for the reformation of an instrument; (2) an action to quiet title; and (3) an action to consolidate ownership in a sale with a right to repurchase.<sup>[43]</sup>

The first paragraph of Section 1 of Rule 63 enumerates the subject matter to be inquired upon in a declaratory relief namely, deed, will, contract or other written instrument, a statute, executive order or regulation, or any government regulation. This Court, in *Lerum v. Cruz*,<sup>[44]</sup> declared that the subject matters to be tested in a petition for declaratory relief are exclusive, *viz*:

Under this rule, only a person who is interested "under a deed, will, contract or other written instrument, and whose rights are affected by a statute or ordinance, may bring an action to determine any question of construction or validity arising under the instrument or statute and for a declaration of his rights or duties thereunder." **This means that the subject matter must refer to a deed, will, contract or other written instrument, or to a statute or ordinance, to warrant declaratory relief. Any other matter not mentioned therein is**