

THIRD DIVISION

[G.R. No. 170750, April 07, 2009]

HEIRS OF TOMAS DOLLETON, HERACLIO ORCULLO, REMEDIOS SAN PEDRO, HEIRS OF BERNARDO MILLAMA, HEIRS OF AGAPITO VILLANUEVA, HEIRS OF HILARION GARCIA, SERAFINA SP ARGANA, AND HEIRS OF MARIANO VILLANUEVA, PETITIONERS, VS. FIL-ESTATE MANAGEMENT INC., ET AL. AND THE REGISTER OF DEEDS OF LAS PIÑAS CITY, RESPONDENTS.

DECISION

CHICO-NAZARIO, J.:

This is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, assailing (1) the Decision^[1] dated 16 September 2005, rendered by the Court of Appeals in CA-G.R. CV No. 80927, which affirmed the Resolutions^[2] dated 8 September 2000 and 30 June 2003, of the Regional Trial Court (RTC), Branch 253, of Las Piñas City, dismissing the Complaints in Civil Cases No. LP-97-0228, No. LP-97-0229, No. LP-97-0230, No. LP-97-0231, No. LP-97-0236, No. LP-97-0237, No. LP-97-0238, and No. LP-97-0239; and (2) the Resolution dated 9 December 2005 of the same court denying petitioners' Motion for Reconsideration.

In October 1997, petitioners Heirs of Tomas Dolleton,^[3] Heraclio Orcullo, Remedios San Pedro, *et al.*,^[4] Heirs of Bernardo Millama, *et al.*,^[5] Heirs of Agapito Villanueva, *et al.*,^[6] Heirs of Hilarion Garcia, *et al.*,^[7] Serafina SP Argana, *et al.*,^[8] and Heirs of Mariano Villanueva, *et al.*^[9] filed before the RTC separate Complaints for Quieting of Title and/or Recovery of Ownership and Possession with Preliminary Injunction/Restraining Order and Damages against respondents Fil-Estate Management Inc., Spouses Arturo E. Dy and Susan Dy, Megatop Realty Development, Inc.,^[10] and the Register of Deeds of Las Piñas. The Complaints, which were later consolidated, were docketed as follows:

1. Civil Case No. L-97-0228, which was filed by the Heirs of Tomas Dolleton covering a parcel of land with an area of 17,681 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Psu-235279 approved by the Director of the Bureau of Lands on 20 February 1959;
2. Civil Case No. L-97-0229, which was filed by Heraclio Orcullo covering two (2) parcels of land with the total areas of 14,429 square meters and 2,105 square meters, respectively, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Lots 1 and 2, Psu-169404 approved by the Director of the Bureau of Lands on 4 December 1959;

3. Civil Case No. L-97-0230, which was filed by Remedios San Pedro, *et al.*, covering a parcel of land with an area of 17,159 square meters, located in Barrio Pugad Lawin, Las Piñas, Rizal under Psu-96901 approved by the Director of the Bureau of Lands on 21 July 1933;
4. Civil Case No. L-97-0231, which was filed by the Heirs of Bernardo Millama, *et al.*, covering a parcel of land with an area of 23,359 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Psu-96905 approved by the Director of the Bureau of Lands on 16 January 1933;
5. Civil Case No. L-97-0236, which was filed by the Heirs of Agapito Villanueva covering a parcel of land with an area of 10,572 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal;
6. Civil Case No. L-97-0237, which was filed by the Heirs of Hilarion Garcia, *et al.*, covering a parcel of land with an area of 15,372 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Psu-96920 approved by the Director of the Bureau of Lands on 16 January 1933;
7. Civil Case No. L-97-0238, which was filed by Serafina SP Argana, *et al.*, covering a parcel of land with an area of 29,391 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Psu-96909 approved by the Director of the Bureau of Lands on 18 January 1933; and
8. Civil Case No. L-97-0239, which was filed by the Heirs of Mariano Villanueva, *et al.*, covering a parcel of land with an area of 7,454 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Psu-96910 approved by the Director of the Bureau of Lands on 16 January 1933.

The eight Complaints^[11] were similarly worded and contained substantially identical allegations. Petitioners claimed in their Complaints that they had been in continuous, open, and exclusive possession of the afore-described parcels of land (subject properties) for more than 90 years until they were forcibly ousted by armed men hired by respondents in 1991. They had cultivated the subject properties and religiously paid the real estate taxes for the same. Respondents cannot rely on Transfer Certificates of Title (TCTs) No. 9176, No. 9177, No. 9178, No. 9179, No. 9180, No. 9181 and No. 9182,^[12] issued by the Registry of Deeds of Las Piñas in their names, to support their claim over the subject properties since, petitioners averred, the subject properties were not covered by said certificates. Petitioners also alleged that said TCTs, purportedly derived from Original Certificate of Title (OCT) No. 6122, issued in favor of Jose Velasquez, were spurious.

To support their narration of facts, petitioners cited *Vda. de Cailles v. Mayuga*^[13] and *Orosa v. Migrino*,^[14] which both involved the parcel of land referred to as Lot 9, Psu-11411, Amd-2. In these cases, the Court adjudicated said piece of land to

Dominador Mayuga, who later transferred it to Marciano Villanueva, who sold it to Nicolas Orosa. Pending a controversy between the Heirs of Nicolas Orosa and Jose Velasquez, Delta Motors Corporation somehow acquired the rights over their conflicting claims to the land and managed to obtain certificates of title over the same. Delta Motors Corporation sold the land to Goldenrod, Inc., which finally transferred it to a consortium composed of respondents, Peaksun Enterprises and Export Corporation, and Elena Jao.

Petitioners stressed, however, that in *Vda. de Cailles* and *Orosa*, the land that was transferred was Lot 9, Psu-11411, Amd-2, measuring 53 hectares, which was only a portion of the entire Lot 9, Psu-11411, with a total area of 119.8 hectares. And respondents' TCTs, derived from OCT No. 6122 in the name of Jose Velasquez, covered only 26.44 hectares or roughly half of Lot 9, Psu-11411, Amd-2. Petitioners averred that the subject properties were not included in the 53 hectares of Lot 9, Psu-11411, adjudicated to Dominador Mayuga.

Petitioners thus sought from the RTC that an order be issued enjoining respondents from making any developments on the subject properties, and that after hearing, judgment be rendered as follows:

- A. [Herein respondents] be ordered to recognize the rights of [herein petitioners]; to vacate the subject lot and peacefully surrender possession thereof to [petitioners]; and that Transfer Certificate of Title Numbers 9176, 9177, 9178, 9179, 9180 and 9182 be cancelled by the Register of Deeds for Las Pinas, Metro Manila, insofar as they are or may be utilized to deprive [petitioners] of the possession and ownership of said lot.
- B. Making the preliminary injunctions permanent.
- C. An order be issued directing [respondents] to pay [petitioners] the sums of:
 - a. P500,000.00 as moral damages;
 - b. P150,000.00 as exemplary damages;
 - c. P100,000.00 as attorney's fees; and,
 - d. Cost of suit.

[Petitioners] further pray for such other affirmative reliefs as are deemed just and equitable in the premises.^[15]

Respondents filed before the RTC a Motion to Dismiss and Opposition to Application for a Temporary Restraining Order/Writ of Preliminary Injunction.^[16] They moved for the dismissal of the eight Complaints on the grounds of (1) prescription; (2) laches; (3) lack of cause of action; and (4) *res judicata*.^[17]

Respondents argued that the Complaints sought the annulment of the certificates of title that were issued in their names. Section 32 of Presidential Decree No. 1529, otherwise known as the Property Registration Decree,^[18] provides that the decree

of registration and the certificate of title issued pursuant thereto can only be nullified on the ground of fraud within one year after the entry of such decree of registration. Respondents' TCTs could be traced back to the decree/s of registration entered in 1966/1967, which resulted in the issuance of OCT No. 6122 in the name of Jose Velasquez, respondents' predecessor-in-interest. Hence, the filing of the Complaints only in October 1997 was made beyond the prescription period for assailing a decree of registration and/or the certificate of title issued pursuant thereto. Additionally, petitioners' Complaints were actions for reconveyance of the subject properties based on implied trust, the filing of which prescribes after 10 years from the time said properties were first registered under the Torrens system, in accordance with Articles 1144 and 1456 of the Civil Code.^[19] Since the subject properties were first registered in 1966/1967, then the actions for their reconveyance, instituted only in 1997 or 30 years later, should be dismissed on the ground of prescription.^[20]

Respondents also contended that petitioners were guilty of laches. Despite their alleged possession of the subject properties for 90 years, petitioners failed to take any steps to oppose the land registration cases involving the same properties or to seek the nullification of the decrees of registration and certificates of title which were entered and issued as early as 1966 and 1967.^[21]

Moreover, respondents maintained that the Complaints should be dismissed for failure to state a cause of action. Even assuming that petitioners were able to prove their allegations of longtime possession and payment of realty taxes on the subject properties, and to submit a sketch plan of the same, these cannot defeat a claim of ownership over the parcels of land, which were already registered under the Torrens system in the name of respondents and the other consortium members.^[22]

Lastly, respondents insisted that the Complaints should be dismissed on the ground of *res judicata*.^[23] By virtue of the decided cases *Vda. de Cailles* and *Orosa*, which petitioners themselves cited in their Complaints, any claims to all portions of Lot 9, Psu 11411, Amd-2 are barred by *res judicata*. In said cases, respondents' predecessors-in-interest were declared owners of Lot 9, Psu 11411, Amd-2. Respondents also referred to a Decision^[24] dated 17 December 1991 rendered by the Metropolitan Trial Court (MTC) of Las Piñas, Branch 79, in Civil Case No. 3271, entitled *Heirs of Benito Navarro v. Fil-Estate Management Inc.*^[25] In its Decision, the MTC declared that therein plaintiffs were not in possession of the land, which it found to belong to respondent Fil-Estate Management Inc.

On 11 June 1998, the Heirs of Jose Velasquez (intervenors) filed a Motion for Intervention with Leave of Court and a Complaint-in-Intervention, alleging that the subject properties, covered by TCTs No. 9176, No. 9177, No. 9178, No. 9179, No. 9180, and No. 9181, were once owned by the Spouses Jose Velasquez and Loreto Tiongkiao. Without settling the conjugal partnership after the death of his wife Loreto Tiongkiao, and without obtaining the intervenors' consent, Jose Velasquez, together with J.V. Development Corporation, Delta Motors Corporation, and Nicolas Orosa, transferred all their rights to the subject properties to Goldenrod, Inc., from which respondents acquired the same. The intervenors sought the cancellation and nullification of respondents' certificates of title insofar as their mother's share in the subject properties was concerned.^[26]

On 8 September 2000, the RTC issued a Resolution^[27] in Civil Case No. LP-97-0228 granting respondents' Motion to Dismiss. The trial court determined that the subject properties were already registered in the names of respondents, and that petitioners were unable to prove by clear and convincing evidence their title to the said properties. The dispositive part of the RTC Resolution reads:

On the basis of the foregoing reasons alone, the instant complaint should immediately be DISMISSED. Accordingly, the prayer for a temporary restraining order and preliminary injunction is DENIED. This, however, is without prejudice to the complaint-in-intervention filed by intervenors over the disputed properties, their undivided interests being intertwined and attached to the disputed properties wherever it goes and whoever is in possession of the same, their right to bring action to pursue the same being imprescriptible.^[28]

On 12 August 2002, respondents filed a Motion for Clarification^[29] asking the RTC whether the order of dismissal of Civil Case No. LP-97-0228, included Civil Cases No. LP-97-0229, No. LP-97-0230, No. LP-97-0231, No. LP-97-0236, No. LP-97-0237, No. LP-97-0238, and No. LP-97-0239. In a Resolution^[30] dated 30 June 2003, the RTC reiterated its Resolution dated 8 September 2000 dismissing the Complaint of petitioners Heirs of Tomas Dolleton in Civil Case No. LP-97-0228; and declared that the other cases - Civil Cases No. LP-97-0229, No. LP-97-0230, No. LP-97-0231, No. LP-97-0236, No. LP-97-0237, No. LP-97-0238, and No. LP-97-0239 - were similarly dismissed since they involved the same causes of action as Civil Case No. LP-97-0228.

On 9 July 2003, petitioners filed a consolidated Notice of Appeal questioning the 30 June 2003 Resolution of the RTC.^[31] They accordingly filed an appeal of the said Resolution of the trial court with the Court of Appeals, docketed as CA-G.R. CV No. 80927.

In its Decision dated 16 September 2005 in CA-G.R. CV No. 80927, the Court of Appeals denied petitioners' appeal and affirmed the RTC Resolutions dated 8 September 2000 and 30 June 2003. The appellate court found that respondents' titles to the subject properties were indefeasible because they were registered under the Torrens system. Thus, petitioners could not say that any claim on the subject properties casts a cloud on their title when they failed to demonstrate a legal or an equitable title to the same. The Court of Appeals also ruled that petitioners' actions had already prescribed. Section 32 of Presidential Decree No. 1529 requires that an action assailing a certificate of title should be filed within one year after its issuance. Moreover, actions assailing fraudulent titles should be filed within 10 years after the said titles were issued. The appellate court further decreed that the cases for quieting of title should be dismissed based on the allegation of petitioners themselves that the parcels of land covered by respondents' certificates of title were not the subject properties which petitioners claimed as their own.^[32]

Petitioners filed a Motion for Reconsideration of the afore-mentioned Decision,^[33] which the Court of Appeals denied in a Resolution dated 9 December 2005.^[34]