

## THIRD DIVISION

**[ G. R. No. 148361, November 29, 2005 ]**

**RAFAEL BAUTISTA AND LIGAYA ROSEL, PETITIONERS, VS.  
MAYA-MAYA COTTAGES, INC., RESPONDENT.**

### R E S O L U T I O N

**SANDOVAL-GUTIERREZ, J.:**

For our resolution is the instant petition for review on *certiorari* assailing the Decision<sup>[1]</sup> and Resolution of the Court of Appeals, dated November 24, 2000 and May 30, 2001, respectively, in CA-G.R. SP No. 43574.

The facts are:

Spouses Rafael and Ligaya Bautista, petitioners herein, are the registered owners of a 3,856-square meter lot located at Natipuan, Nasugbu, Batangas, as evidenced by Original Certificate of Title (OCT) No. P-1436 issued in their names on January 15, 1989 by the Register of Deeds, same province.

On May 13, 1996, Maya-Maya Cottages, Inc. (MMCI), respondent, filed with the Regional Trial Court (RTC) of Nasugbu, Batangas a complaint for cancellation of petitioners' title and damages, with application for a preliminary injunction, docketed as Civil Case No. 371. Respondent alleged *inter alia* that "without any color of right and through dubious means," petitioners were able to obtain OCT No. P-1436 in their names.

On May 29, 1996, petitioners filed a motion to dismiss the complaint on the ground that it does not state a cause of action. They averred that respondent is a private corporation, hence, disqualified under the Constitution<sup>[2]</sup> from acquiring public alienable lands except by lease. Respondent cannot thus be considered a real party in interest.

In its Order dated August 30, 1996, the trial court granted the motion to dismiss, holding that since the property is an alienable public land, respondent is not qualified to acquire it except by lease. Thus, it has no cause of action.

Respondent then filed a motion for reconsideration with motion for leave to file an amended complaint for quieting of title. Respondent alleged that the technical description in petitioners' title does not cover the disputed lot.

Thereupon, petitioners filed their opposition, contending that the amended complaint does not also state a cause of action and if admitted, respondent's theory of the case is substantially modified.

On November 18, 1996, the trial court issued an Order denying petitioners' motion