481 Phil. 168

THIRD DIVISION

[G.R. No. 151149, September 07, 2004]

GEORGE KATON, PETITIONER, VS. MANUEL PALANCA JR., LORENZO AGUSTIN, JESUS GAPILANGO AND JUAN FRESNILLO, RESPONDENTS.

D E C I S I O N

PANGANIBAN, J.:

Where prescription, lack of jurisdiction or failure to state a cause of action clearly appear from the complaint filed with the trial court, the action may be dismissed *motu proprio* by the Court of Appeals, even if the case has been elevated for review on different grounds. Verily, the dismissal of such cases appropriately ends useless litigations.

The Case

Before us is a Petition for Review[1] under Rule 45 of the Rules of Court, assailing the December 8, 2000 Decision[2] and the November 20, 2001 Resolution[3] of the Court of Appeals in CA-GR SP No. 57496. The assailed Decision disposed as follows:

> "Assuming that petitioner is correct in saying that he has the exclusive right in applying for the patent over the land in question, it appears that his action is already barred by laches because he slept on his alleged right for almost 23 years from the time the original certificate of title has been issued to respondent Manuel Palanca, Jr., or after 35 years from the time the land was certified as agricultural land. In addition, the proper party in the annulment of patents or titles acquired through fraud is the State; thus, the petitioner's action is deemed misplaced as he really does not have any right to assert or protect. What he had during the time he requested for the re-classification of the land was the privilege of applying for the patent over the same upon the land's conversion from forest to agricultural.
>
> "WHEREFORE, the petition is hereby **DISMISSED**. No pronouncement as to cost."[4]

The assailed Resolution, on the other hand, denied the Motion for Reconsideration filed by petitioner. It affirmed the RTC's dismissal of his Complaint in Civil Case No. 3231, not on the grounds relied upon by the trial court, but because of prescription and lack of jurisdiction.

The Antecedent Facts

The CA narrates the antecedent facts as follows:

"On August 2, 1963, herein [P]etitioner [George Katon] filed a request with the District Office of the Bureau of Forestry in Puerto Princesa, Palawan, for the re-classification of a piece of real property known as Sombrero Island, located in Tagpait, Aborlan, Palawan, which consists of approximately 18 hectares. Said property is within Timberland Block of LC Project No. 10-C of Aborlan, Palawan, per BF Map LC No. 1582.

"Thereafter, the Bureau of Forestry District Office, Puerto Princesa, Palawan, ordered the inspection, investigation and survey of the land subject of the petitioner's request for eventual conversion or re-classification from forest to agricultural land, and thereafter for George Katon to apply for a homestead patent.

"Gabriel Mandocdoc (now retired Land Classification Investigator) undertook the investigation, inspection and survey of the area in the presence of the petitioner, his brother Rodolfo Katon (deceased) and his cousin, [R]espondent Manuel Palanca, Jr. During said survey, there were no actual occupants on the island but there were some coconut trees claimed to have been planted by petitioner and [R]espondent Manuel Palanca, Jr. (alleged overseer of petitioner) who went to the island from time to time to undertake development work, like planting of additional coconut trees.

"The application for conversion of the whole Sombrero Island was favorably endorsed by the Forestry District Office of Puerto Princesa to its main office in Manila for appropriate action. The names of Felicisimo Corpuz, Clemente Magdayao and Jesus Gapilango and Juan Fresnillo were included in the endorsement as co-applicants of the petitioner.

"In a letter dated September 23, 1965, then Asst. Director of Forestry R.J.L. Utleg informed the Director of Lands, Manila, that since the subject land was no longer needed for forest purposes, the same is therefore certified and released as agricultural land for disposition under the Public Land Act.

"Petitioner contends that the whole area known as Sombrero Island had been classified from forest land to agricultural land and certified available for disposition upon his request and at his instance. However, Mr. Lucio Valera, then [l]and investigator of the District Land Office, Puerto Princesa, Palawan, favorably endorsed the request of [R]espondents Manuel Palanca Jr. and Lorenzo Agustin, for authority to survey on November 15, 1965. On November 22, a second endorsement was issued by Palawan District Officer Diomedes De Guzman with specific instruction to survey vacant portions of Sombrero Island for the respondents consisting of five (5) hectares each. On December 10, 1965, Survey Authority No. R III-342-65 was issued authorizing Deputy Public Land Surveyor Eduardo Salvador to survey ten (10) hectares of Sombrero Island for the respondents. On December 23, 1990, [R]espondent Lorenzo Agustin filed a homestead patent application for a portion of the subject island consisting of an area of 4.3 hectares.

"Records show that on November 8, 1996, [R]espondent Juan Fresnillo

filed a homestead patent application for a portion of the island comprising 8.5 hectares. Records also reveal that [R]espondent Jesus Gapilango filed a homestead application on June 8, 1972. Respondent Manuel Palanca, Jr. was issued Homestead Patent No. 145927 and OCT No. G-7089 on March 3, 1977[5] with an area of 6.84 hectares of Sombrero Island.

"Petitioner assails the validity of the homestead patents and original certificates of title covering certain portions of Sombrero Island issued in favor of respondents on the ground that the same were obtained through fraud. Petitioner prays for the reconveyance of the whole island in his favor.

"On the other hand, [R]espondent Manuel Palanca, Jr. claims that he himself requested for the reclassification of the island in dispute and that on or about the time of such request, [R]espondents Fresnillo, Palanca and Gapilango already occupied their respective areas and introduced numerous improvements. In addition, Palanca said that petitioner never filed any homestead application for the island. Respondents deny that Gabriel Mandocdoc undertook the inspection and survey of the island.

"According to Mandocdoc, the island was uninhabited but the respondents insist that they already had their respective occupancy and improvements on the island. Palanca denies that he is a mere overseer of the petitioner because he said he was acting for himself in developing his own area and not as anybody's caretaker.

"Respondents aver that they are all bona fide and lawful possessors of their respective portions and have declared said portions for taxation purposes and that they have been faithfully paying taxes thereon for twenty years.

"Respondents contend that the petitioner has no legal capacity to sue insofar as the island is concerned because an action for reconveyance can only be brought by the owner and not a mere homestead applicant and that petitioner is guilty of estoppel by laches for his failure to assert his right over the land for an unreasonable and unexplained period of time.

"In the instant case, petitioner seeks to nullify the homestead patents and original certificates of title issued in favor of the respondents covering certain portions of the Sombrero Island as well as the reconveyance of the whole island in his favor. The petitioner claims that he has the exclusive right to file an application for homestead patent over the whole island since it was he who requested for its conversion from forest land to agricultural land."[6]

Respondents filed their Answer with Special and/or Affirmative Defenses and Counterclaim in due time. On June 30, 1999, they also filed a Motion to Dismiss on the ground of the alleged defiance by petitioner of the trial court's Order to amend his Complaint so he could thus effect a substitution by the legal heirs of the deceased, Respondent Gapilango. The Motion to Dismiss was granted by the RTC in its Order dated July 29, 1999.

Petitioner's Motion for Reconsideration of the July 29, 1999 Order was denied by the trial court in its Resolution dated December 17, 1999, for being a third and prohibited motion. In his Petition for Certiorari before the CA, petitioner charged the trial court with grave abuse of discretion on the ground that the denied Motion was his first and only Motion for Reconsideration of the aforesaid Order.

Ruling of the Court of Appeals

Instead of limiting itself to the allegation of grave abuse of discretion, the CA ruled on the merits. It held that while petitioner had caused the reclassification of Sombrero Island from forest to agricultural land, he never applied for a homestead patent under the Public Land Act. Hence, he never acquired title to that land.

The CA added that the annulment and cancellation of a homestead patent and the reversion of the property to the State were matters between the latter and the homestead grantee. Unless and until the government takes steps to annul the grant, the homesteader's right thereto stands.

Finally, granting arguendo that petitioner had the exclusive right to apply for a patent to the land in question, he was already barred by laches for having slept on his right for almost 23 years from the time Respondent Palanca's title had been issued.

In the Assailed Resolution, the CA acknowledged that it had erred when it ruled on the merits of the case. It agreed with petitioner that the trial court had acted without jurisdiction in perfunctorily dismissing his September 10, 1999 Motion for Reconsideration, on the erroneous ground that it was a third and prohibited motion when it was actually only his first motion.

Nonetheless, the Complaint was dismissed *motu proprio* by the challenged Resolution of the CA Special Division of five members – with two justices dissenting – pursuant to its "residual prerogative" under Section 1 of Rule 9 of the Rules of Court.

From the allegations of the Complaint, the appellate court opined that petitioner clearly had no standing to seek reconveyance of the disputed land, because he neither held title to it nor even applied for a homestead patent. It reiterated that only the State could sue for cancellation of the title issued upon a homestead patent, and for reversion of the land to the public domain.

Finally, it ruled that prescription had already barred the action for reconveyance. *First*, petitioner's action was brought 24 years after the issuance of Palanca's homestead patent. Under the Public Land Act, such action should have been taken within ten years from the issuance of the homestead certificate of title. *Second*, it appears from the submission (Annex "F" of the Complaint) of petitioner himself that Respondents Fresnillo and Palanca had been occupying six hectares of the island since 1965, or 33 years before he took legal steps to assert his right to the property. His action was filed beyond the 30-year prescriptive period under Articles 1141 and 1137 of the Civil Code.

Hence, this Petition.[7]

Issues

In his Memorandum, petitioner raises the following issues:

> "1. Is the Court of Appeals correct in resolving the Petition for Certiorari based on an issue not raised (the merits of the case) in the Petition?
>
> "2. Is the Court of Appeals correct in invoking its alleged 'residual prerogative' under Section 1, Rule 9 of the 1997 Rules of Civil Procedure in resolving the Petition on an issue not raised in the Petition?"[8]

The Court's Ruling

The Petition has no merit.

First Issue:
Propriety of Ruling on the Merits

This is not the first time that petitioner has taken issue with the propriety of the CA's ruling on the merits. He raised it with the appellate court when he moved for reconsideration of its December 8, 2000 Decision. The CA even corrected itself in its November 20, 2001 Resolution, as follows:

> "Upon another review of the case, the Court concedes that it may indeed have lost its way and been waylaid by the variety, complexity and seeming importance of the interests and issues involved in the case below, the apparent reluctance of the judges, five in all, to hear the case, and the volume of the conflicting, often confusing, submissions bearing on incidental matters. We stand corrected."[9]

That explanation should have been enough to settle the issue. The CA's Resolution on this point has rendered petitioner's issue moot. Hence, there is no need to discuss it further. Suffice it to say that the appellate court indeed acted ultra jurisdictio in ruling on the merits of the case when the only issue that could have been, and was in fact, raised was the alleged grave abuse of discretion committed by the trial court in denying petitioner's Motion for Reconsideration. Settled is the doctrine that the sole office of a writ of certiorari is the correction of errors of jurisdiction. Such writ does not include a review of the evidence,[10] more so when no determination of the merits has yet been made by the trial court, as in this case.

Second Issue:
Dismissal for Prescription and Lack of Jurisdiction

Petitioner next submits that the CA erroneously invoked its "residual prerogatives" under Section 1 of Rule 9 of the Rules of Court when it *motu proprio* dismissed the Petition for lack of jurisdiction and prescription. According to him, residual prerogative refers to the power that the trial court, in the exercise of its original jurisdiction, may still validly exercise even after perfection of an appeal. It follows that such powers are not possessed by an appellate court.