

## **FIRST DIVISION**

**[ G.R. No. 106043, March 04, 1996 ]**

**CAGAYAN DE ORO CITY LANDLESS RESIDENTS ASSOCIATION  
INC. (COCLAI), MACABALAN, CAGAYAN DE ORO CITY,  
PETITIONER, VS. COURT OF APPEALS AND THE NATIONAL  
HOUSING AUTHORITY (NHA), RESPONDENTS.**

### **D E C I S I O N**

**HERMOSISIMA, JR., J.:**

This is a petition to set aside the decision of the Court of Appeals, dated February 28, 1991, in C.A. G.R. SP No. 23080, which reversed the decision of the Regional Trial Court of Cagayan de Oro City, Branch 25, dated November 17, 1988.

The antecedent facts as found by the Court of Appeals are as follows:

"The land subject of the dispute is Lot No. 1982 of Cad. 237 consisting of about 12.82 hectares located at Cagayan de Oro City. Said parcel of land was formerly a timberland identified as Block No. F, L.C. Project No. 8 of the Bureau of Forestry. On September 4, 1956, the Bureau of Forestry released the said land as alienable and disposable public land.

Subsequently, on January 29, 1964, the Bureau of Lands issued Survey Authority No. 16-64 granting authority to the COCLAI to survey the land in question for purposes of subdivision into residential lots. By virtue of said authority, the COCLAI engaged the services of a geodetic engineer to prepare the subdivision survey which was submitted to the Bureau of Lands. On March 31, 1964, the Bureau of Lands, after conducting an ocular survey, required the COCLAI, in behalf of its members, to file a miscellaneous Sales Application over the land in question which the latter did on August 13, 1970. The said sales application was however held in abeyance by the Bureau of Lands pending the final outcome of the civil case filed by the Republic of the Philippines and the City of Cagayan de Oro against Benedicta Macabebe Salcedo, et al. for the annulment of Original Certificate of Title No. 0-257 covering the land in question then pending before the Supreme Court docketed as G.R. No. L-41115. In said case, the COCLAI was a party-intervenor.

Meanwhile, on August 22, 1979, the NHA filed an expropriation proceeding before the former Court of First Instance of Misamis Oriental at Cagayan de Oro City docketed as Civil Case No. 6806 to acquire Cadastral Lot No. 1982, including the land involved in this case, located at Macabalan, Cagayan de Oro City with an area of 224,554 square meters which was then covered by OCT No. 0-257. In said case, the COCLAI intervened claiming that instead of being paid the amount of

P300,000.00, they prefer to acquire residential lots in any housing area of NHA. Upon learning of the pending suit before the Supreme Court (G.R. No. L-41115) involving the annulment of the title over the same land, the NHA sought the suspension of the expropriation proceedings.

On September 11, 1982, the Supreme Court finally resolved G.R. No. L-41115 annulling OCT No. 0-257 and declaring the land covered thereby as public land.

On October 8, 1982, the Solicitor General furnished the Bureau of Lands, Manila, with a copy of the Supreme Court decision prompting the Director of the Bureau of Lands to order the District Land Officer in Cagayan de Oro City to take appropriate action for inventory of each and every portion of Cadastral Lot No. 1982. In response thereto, the Regional Land Director of Region 10 informed the Director of Lands that the members of COCLAI were occupying portions of the said lot by virtue of the Survey Authority issued on March 19, 1964 and the COCLAI's subdivision survey had already been submitted to the Central Office for verification and approval but was held in abeyance.

On May 10, 1983, the President of the Philippines issued Proclamation No. 2292 reserving the entire area of Cadastral Lot No. 1982 for the Slum Improvement and Resettlement (SIR) Project to be implemented by the NHA. Under the said proclamation, the NHA was granted the authority 'to develop, administer and dispose of Lot No. 1982 located at Macabalan, Cagayan de Oro City, in accordance with the guidelines of the Slum Improvement and Resettlement Program and the approved development plan of the area.'

On May 19, 1983, the Bureau of Lands, through its Regional Director, issued an order rejecting the subdivision survey previously submitted by the COCLAI.

Sometime in November, 1986, the NHA, through its agents, Virgilio Dacalos and Engr. Vicente Generalao, the area manager and project engineer, respectively with the help of the policemen and claiming authority under P.D. 1472, demolished the structures erected by the COCLAI members. This action prompted the COCLAI to file a forcible entry and damages case against the NHA employees and police officers with the Municipal Trial Court in Cities, Branch 3, Cagayan de Oro City docketed as Civil Case No. 11204.

After due hearing, the MTCC on November 17, 1988 rendered judgment ordering the defendants in Civil Case No. 11204 to restore the COCLAI members to their respective actual possession of the portions of Lot No. 1982 but the court dismissed plaintiff's claim for damages. On appeal, the Regional Trial Court in Cagayan de Oro City affirmed the decision of the lower court. Thereafter, the prevailing party, the COCLAI members, moved for the issuance of a writ of execution before the MTCC on July 23, 1990.

While Civil Case No. 11204 was pending before the courts, the President

of the Philippines issued on July 1, 1988 Special Patent No. 3551 covering the entire area of Cadastral Lot No. 1982, and by virtue thereof, the Register of Deeds of Cagayan de Oro City issued on January 3, 1990 an Original Certificate of Title No. P-3324 in the name of NHA.

Thus, on July 24, 1990, a day after the COCLAI moved for the execution of the judgment in Civil Case No. 11204, the NHA filed a complaint for 'Quieting of Title with Application for a Writ of Preliminary Injunction' against the COCLAI and its president, Pablo Solomon, as well as the City Sheriff, which was docketed as Civil Case No. 90-337. Said case was assigned to Branch 25 of the Regional Trial Court in Cagayan de Oro City, presided over by Hon. Noli T. Catli. In its complaint, plaintiff NHA alleged:

4) That defendant landless association laid claim of a portion of Lot No. 1982 aforesaid alleging that they are entitled to possession thereof and, in fact, filed a complaint for Forcible Entry against certain Virgilio Decalos, Vicente Generalao, and four (4) others, plaintiff herein not being made a party thereto, which case is docketed as Civil Case No. 11204 assigned to Branch 3 of the Municipal Trial Court of Cagayan de Oro City;

5) That on November 18, 1988 defendant landless association obtained a favorable decision from MTCC Branch 3;

6) That pursuant to the ruling of the Supreme Court in City of Bacolod et al. vs. Hon. Enriquez et al., G.R. No L-9773, May 29, 1957 the said decision could not be enforced against plaintiff herein as it was not a party to the said case;

7) That the claim of defendant landless association for possession of a portion of said Lot No. 1982, subject-matter hereof, is predicated or anchored upon the fact that said lot was declared a public land;

8) That on January 3, 1990, however, plaintiff National Housing Authority became the absolute owner of said Lot No. 1982, now the site of the Slum Improvement and Resettlement Project, by virtue of Special Patent No. 3551 issued by Her Excellency, the President of the Philippines, for which Original Certificate of Title No. P-3324 was issued in its name; x x x

9) That the claim of defendant landless association has created a cloud on plaintiff's title to Lot No. 1982 aforementioned, which claim is apparently valid or effective but is in truth and in fact invalid, ineffective and unenforceable and prejudicial to plaintiff's title, the land, subject-matter hereof, having ceased to be a public land;

10) That defendants Solomon, et al. threatened or are about to enforce the decision in said Civil Case No. 11204 in violation of plaintiff's rights respecting the subject of the action, and tending to render the judgment herein ineffectual, unless restrained or enjoined by this Honorable Court;

11) That the plaintiff is entitled to the relief demanded, and the whole or part of such relief consists in restraining the commission of the act herein

complained of;

12) That the commission of the act herein complained of during the litigation would probably work injustice to the plaintiff;

13) That the plaintiff is willing and ready to file a bond executed to the defendants in an amount to be fixed by this Honorable Court, to the effect that the plaintiff will pay to said defendants all damages which they may sustain by reason of the injunction if the Court should finally decide that the plaintiff was not entitled thereto.'

Acting on the plaintiff's prayer for the issuance of a restraining order and/or preliminary injunction, the Regional Trial Court issued an Order on July 24, 1990 stating thus:

'x x x let a RESTRAINING ORDER be issued to Defendants Pablo Salomon and Cagayan de Oro Landless Association, Inc. and the City Sheriff or Deputy Sheriff of MTCC, Branch 3, or anybody acting in their behalf or acting as their agent or representative. And until further orders from this court, they are enjoined to refrain or desist from enforcing the decision of Civil Case No. 11204 until this court resolves this complaint.'

Subsequently, the defendants moved to dismiss the complaint stating, among others, as a ground therefor that the cause of action is barred by a prior judgment in another case. (Apparently, the NHA has filed an action for 'Injunction with Damages' against COCLAI and its President before the Regional Trial Court, Branch 17, Cagayan de Oro City docketed as Civil Case No. 89-399 to prevent the MTCC from executing its decision in Civil Case No. 11204, but this was dismissed by the Regional Trial Court in its Order dated July 19, 1990 on the ground that the decision of the MTCC in Civil Case No. 11204, had been upheld by the Supreme Court when it denied NHA's petition for certiorari. The RTC, Branch 17, further stated that 'x x x (I)f plaintiff believes that it is the owner of the property subject of that civil case (No. 11204), then it should ventilate its claim in some other case but not in a simple case of injunction.)'

On August 10, 1990, the Regional Trial Court in Civil Case No. 90-337 issued an Order denying the motion to dismiss as well as plaintiff NHA's prayer for the issuance of a preliminary injunction to restrain the enforcement of the decision in Civil Case No. 11204. The motion for reconsideration filed by plaintiff NHA was likewise denied by the Regional Trial Court in its Order dated August 17, 1990."<sup>[1]</sup>

Aggrieved by the decision of the Regional Trial Court, the NHA appealed to the Court of Appeals which reversed the decision of the lower court. The decretal portion of the said decision, reads:

"WHEREFORE, the instant petition for certiorari is GRANTED the questioned Orders of respondent judge are hereby declared null and void