

[ CA-G.R. SP NO. 132720, May 28, 2014 ]

**VIOLETA REYES AND BENJAMIN REYES, JR., FOR HIMSELF AND AS ATTORNEY-IN-FACT OF VIOLETA REYES, PETITIONERS, VS. SPS. QUIRICO & ALMA AGUILA, ANTONIO PAPA, IN HIS CAPACITY AS ADMINISTRATOR OF THE ESTATE OF SALUD S. PAPA, AND BRGY. CAPTAIN GEORGE FISCHER, AND ANY AND ALL PERSONS WHO MAY BE ACTING FOR AND IN THEIR BEHALF, THE REGISTRY OF DEEDS OF TARLAC AND THE MUNICIPAL ASSESSOR OF GERONA, TARLAC, RESPONDENTS.**

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

**SALAZAR-FERNANDO, J.:**

Before this Court is a Petition for Review<sup>[1]</sup> under Rule 42 of the 1997 Revised Rules of Civil Procedure seeking to reverse and set aside the Decision<sup>[2]</sup> dated January 30, 2013, as well as the Order<sup>[3]</sup> dated September 19, 2013 of the Regional Trial Court (RTC), Third Judicial Region, Branch 63, Tarlac City, in Civil Case No. 10694 entitled "*Violeta Reyes, et al., Plaintiffs-Appellants, versus Sps. Quirico & Alma Aguila, et al., Defendants-Appellees.*", the dispositive portion of which read:

a) Decision dated January 30, 2013

"**WHEREFORE**, the Order dated July 13, 2010 rendered by the 5<sup>th</sup> Municipal Circuit Trial Court, Gerona, Tarlac which dismissed Civil Case No. 147-09 due to lack of jurisdiction and lack of cause of action is hereby AFFIRMED in toto.

**SO ORDERED."**

b) Order dated September 19, 2013

"**WHEREFORE**, plaintiffs-appellants' Motion To Admit Motion for Reconsideration is DENIED.

**SO ORDERED."**

The facts are:

On November 19, 2009, petitioners Violeta Reyes and Benjamin Reyes, Jr. filed with the 5<sup>th</sup> Municipal Circuit Trial Court (MCTC) of Gerona-Ramos-Pura, Tarlac a Complaint<sup>[4]</sup> for "Cancellation of TCT No. 410112, and Tax Declaration No. 06020-02072 in the names of Sps. Quirico & Alma Aguila, Annulment of Deed of Absolute Sale with Preliminary Mandatory Injunctions and/or Temporary Restraining Order and Damages" against respondents Sps. Quirico and Alma Aguila (Sps. Aguila for brevity), Antonio Papa (Antonio for brevity), Barangay Captain George Fischer, the Register of Deeds of Tarlac and the Municipal Assessor of Gerona, Tarlac, alleging that: on October 21, 1969, petitioner Violeta Reyes and her husband Benjamin

Reyes entered into a Land Purchase Agreement with Salud S. Papa (Salud for brevity) over a parcel of land owned by the latter, denominated as Lot 16, Block 1, containing an area of Four Hundred Forty Seven (447) square meters, located at Salud S. Papa Subdivision; upon execution of the Land Purchase Agreement, they took possession of the subject property, religiously paid the monthly installment therefor and had it fenced by concrete hollow blocks; after full payment of the purchase price, they demanded that Salud execute a deed of absolute sale, but she died without complying with their demand; subsequently, when respondent Antonio was appointed administrator of Salud's estate, including Salud S. Papa Subdivision, they demanded that he execute a corresponding deed of absolute sale over the subject property pursuant to the Land Purchase Agreement, but he refused, alleging that the titles of Salud S. Papa Subdivision were burned; sometime in December 2005, they received a letter from respondent Antonio demanding that they vacate the subject property, but they refused because they already paid in full the purchase price thereof; on January 16, 2006, respondent Antonio filed with the Regional Trial Court of Paniqui, Tarlac a complaint against them for *accion publiciana* which was dismissed on the ground of improper venue; on July 9, 2007, persons claiming to have been ordered by respondents Sps. Aguila, who claimed to have bought the subject property, destroyed the fence and put up a pump well within the premises; upon verification with the Registry of Deeds of Tarlac and the Municipal Assessor's Office of Gerona, Tarlac, they found out that respondents Sps. Aguila were issued TCT No. 410112 and a tax declaration in their name; respondents Sps. Aguila were issued a certificate of title by virtue of a deed of absolute sale purportedly executed by Salud on April 18, 1970; said deed of sale was antedated and a forgery, because they had been paying for the subject property on installment from 1969 until 1978; respondents Sps. Aguila could not have bought the subject property in 1970 because they were only eleven (11) or twelve (12) years old at that time and had no legal capacity to contract.

In their Answer with Special and Affirmative Defenses as Motion to Dismiss with Compulsory Counterclaim,<sup>[5]</sup> respondents Antonio and Sps. Aguila denied practically all the material allegations in the complaint. As special and affirmative defenses, constituting as grounds for a motion to dismiss, they alleged that: the 5<sup>th</sup> MCTC of Gerona-Ramos-Pura, Tarlac has no jurisdiction over the case because the subject matter thereof is not capable of pecuniary estimation and should be taken cognizance of by the RTC; the complaint states no cause of action because the petitioners failed to comply with the Land Purchase Agreement which provides for automatic cancellation and rescission in case of non-payment; the petitioners had paid only P2,375.00, out of the total contract price of P7,190.00, thereby leaving an unpaid balance of P4,815.00; thus, respondent Antonio had no obligation to execute and deliver a deed of absolute sale in favor of the petitioners and the latter have no legal right to seek the annulment of sale in favor of respondents Sps. Aguila; the Land Purchase Agreement was not annotated on the title, thus it does not bind third parties; petitioners' cause of action had prescribed because the Land Purchase Agreement was executed on July 15, 1969 and this case was filed only on October 27, 2009, involving a period of about forty (40) years; under Art. 1144 of the Civil Code, this case should have been filed within ten (10) years from the time the right of action accrued; the petitioners are also guilty of laches and estoppel; and, before respondents Sps. Aguila purchased the subject property, they first verified with the Registry of Deeds of Tarlac and found that there was neither adverse claim nor liens annotated on the title, thus they are purchasers in good faith and for value.

After several exchanges of pleadings between the parties, the 5<sup>th</sup> MCTC of Gerona-Ramos-Pura issued an Order<sup>[6]</sup> dated July 13, 2010 with the following disposition:

"WHEREFORE, on grounds of lack of jurisdiction over the case and lack of cause of action, the case is hereby **DISMISSED**.

The defendants' counterclaim is likewise **DISMISSED**.

SO ORDERED."

Aggrieved, the petitioners filed a Notice of Appeal<sup>[7]</sup> from the order of dismissal to the RTC of Tarlac City, Branch 63 which subsequently rendered the assailed Decision dated January 30, 2013. On March 12, 2013 the petitioners filed a Motion to Admit Motion for Reconsideration,<sup>[8]</sup> together the Motion for Reconsideration.<sup>[9]</sup> On September 19, 2013, the lower court issued the assailed order. Hence, this petition assigning the following errors:

THE HONORABLE COURT A QUO SERIOUSLY ERRED IN FINDING THAT THE MCTC HAD NO JURISDICTION OVER THE INSTANT CASE.

THE HONORABLE COURT A QUO SERIOUSLY ERRED IN NOT TAKING COGNIZANCE PURSUANT TO SECTION 8 (PAR. 1), RULE 40, OF THE RULES OF COURT.

THE HONORABLE COURT A QUO SERIOUSLY ERRED IN CONCLUDING THAT PETITIONERS FAILED TO STATE A CAUSE OF ACTION.

THE HONORABLE COURT A QUO SERIOUSLY ERRED IN NOT ADMITTING THE BELATEDLY FILED MOTION FOR RECONSIDERATION.

The petition has no merit.

The petitioners argue that: contrary to the finding of the lower court, the 5<sup>th</sup> MCTC of Gerona-Ramos-Pura had jurisdiction over this case because it involves "title to/possession of real property" which refers to the claim, right or interest in the real property and not to the certificate of title which is merely a document of ownership under the Torrens System; the nature of an action is not determined by what is stated in the caption of the complaint, but by the allegations in the complaint and the reliefs prayed for; their prayer for the annulment of title, deed of sale and tax declaration as stated in the caption is merely incidental to their ultimate objective which is to obtain title to real property; this case should be filed with the 5<sup>th</sup> MCTC of Gerona-Ramos-Pura because the assessed value of the subject property is less than Twenty Thousand Pesos (P20,000.00); even granting that this case is for annulment of title, the MCTC would still have jurisdiction, based on the assessed value of the subject property; assuming that the MCTC had no jurisdiction over the case, the lower court should have taken cognizance of this case, pursuant to Section 8 (par. 1), Rule 40 of the 1997 Revised Rules of Civil Procedure; contrary to the finding of both lower courts, the petitioners have cause of action against the respondents based on the allegations in the complaint; they alleged therein that they had fully paid the purchase price of the subject property and never admitted that the payment was deficient; in affirming the finding of the MCTC that there was no full payment by the petitioners of the agreed purchase price, the lower court made legal conclusions which are inconsistent with the rule that the cause of action

is determined only by the facts alleged in the complaint; besides, the Land Purchase Agreement has never been rescinded and remains binding between the parties thereto, including their heirs and assigns; likewise, there is an allegation in the complaint that the deed of sale in favor of the respondents Sps. Aguila was falsified and simulated, hence the respondents were in bad faith when they caused the issuance of title despite full knowledge of the previous contract between the petitioners and the respondents' predecessor-in-interest; the one (1) day delay in the filing of a motion for reconsideration of the assailed decision due to the illness of petitioners' counsel is excusable, thus the lower court erred in not admitting the belatedly filed motion for reconsideration; and, in a litany of cases, the Supreme Court allowed the perfection of an appeal beyond the reglementary period to prevent the miscarriage of justice and for justifiable reasons, due to fraud, accident, mistake or excusable negligence.

The respondents counter that: the principal relief sought in petitioners' complaint is the annulment of deed of absolute sale which is incapable of pecuniary estimation, hence it is cognizable by the RTC; the action for annulment does not involve questions of title to, ownership or possession of real property; in this case, the petitioners are challenging the due execution and authenticity of the deed of absolute sale and does not even seek recovery of possession of the subject property, thus only the validity of the deed of absolute sale was at issue; the lower court was correct in not applying Section 8 (par. 1), Rule 40 of the 1997 Revised Rules of Civil Procedure because the dismissal of the case was not only on the ground of lack of jurisdiction, but also for lack of cause of action; the lower court did not err in finding that the petitioners had no cause of action because as shown by the receipts they attached to the complaint, they only paid P2,375.00 out of the total consideration of P7,190.00, in violation of the Land Purchase Agreement; thus, respondent Antonio had a right to rescind the Land Purchase Agreement, pursuant to Art. 1191 of the New Civil Code; petitioners' cause of action is now barred by prescription, having filed the complaint forty (40) years after the execution of the Land Purchase Agreement and they are also guilty of estoppel by laches; the lower court did not err in not admitting the belatedly filed motion for reconsideration, thus the assailed decision is now final and executory; the running of 15-day period to file a motion for reconsideration cannot be extended by the filing of a motion for extension; similarly, a motion to admit belatedly filed motion for reconsideration could not be granted because it is in effect indirectly asking for an extension of time to file a motion for reconsideration.

This Court will first resolve the procedural issue of whether or not the lower court erred in denying petitioners' motion to admit belatedly filed motion for reconsideration.

It is without question that petitioners' motion for reconsideration should have been filed on March 11, 2013, a Monday. The fifteenth (15<sup>th</sup>) day after the petitioners received a copy of the assailed judgment was a Saturday (March 9, 2013), and the next working day was March 11, 2013. However, it was filed only on March 12, 2013, albeit accompanied by a Motion to Admit Motion for Reconsideration.<sup>[10]</sup>

Sec. 1,<sup>[11]</sup> Rule 37 provides that an aggrieved party may file a motion for new trial or reconsideration within the period for taking an appeal or fifteen (15) days from notice of the judgment or final order appealed from. Sec. 3, Rule 41, on the other