



Republic of the Philippines
Supreme Court
 Manila

SECOND DIVISION

NATIONAL SPIRITUAL ASSEMBLY
 OF THE BAHÁ'IS OF THE
 PHILIPPINES, represented by its
 Secretary General,
 Petitioner,

G.R. No. 169272

- versus -

ALFREDO S. PASCUAL, in his capacity
 as the Regional Executive Director,
 Department of Environment and
 Natural Resources, Regional Office No.
 32,
 Respondent.

Present:

CARPIO, J., Chairperson,
 BRION,
 PEREZ,
 SERENO, and
 REYES, JJ.

Promulgated:

JUL 11 2012

X-----X

DECISION

BRION, J.:

We resolve the petition for review on *certiorari*¹ filed by the National Spiritual Assembly of the Baha'is of the Philippines (*petitioner*) to assail the December 29, 2004 decision² and the June 28, 2005 resolution³ of the Court of Appeals (CA) in CA-G.R. SP No. 66186. The CA decision set aside the June 20, 2001 order⁴ of the Regional Trial Court (RTC) of Santiago City, Branch 36, in Civil Case No. 36-2931 and dismissed the petitioner's

¹ Filed under Rule 45 of the Revised Rules of Court; *rollo*, pp. 5-9.
² Penned by Associate Justice Estela M. Perlas-Bernabe (now a member of this Court), and concurred in by Associate Justices Elvi John S. Asuncion and Hakim S. Abdulwahid; *id.* at 24-28.
³ *Id.* at 31.
⁴ *Id.* at 75-76.

complaint for quieting of title. The CA resolution denied the petitioner's subsequent motion for reconsideration.

FACTUAL BACKGROUND

On December 11, 2000, the petitioner filed a complaint with the RTC for "quieting of title, injunction, annulment of alias writ of execution, with prayer for temporary restraining order, preliminary prohibitory injunction, and damages" against Silverio Songcuan and/or his heirs, the Secretary of the Department of Environment and Natural Resources (*DENR*), and the Regional Executive Director of the DENR, Regional Office No. 2, Tuguegarao, Cagayan.⁵

The petitioner alleged that it is the lawful and absolute owner of two (2) parcels of land, known as Cadastral Lot Nos. 3 and 361, together with the two-storey building thereon, situated in Victory Sur, Santiago City, acquired through a sale in 1967 from Armando Valdez and Emma Valdez, respectively, who, in turn, acquired ownership from Marcelina Ordoño. The petitioner had been in open, continuous and adverse possession for a period of more than thirty (30) years, and a cloud exists on its title because of an invalid December 4, 1985 decision of the Bureau of Lands.⁶ This invalid decision rejected the miscellaneous sales applications of the petitioner's predecessors-in-interest for the lots, and ordered all those in privity with them (specifically including the petitioner) to vacate the lots and to remove their improvements thereon. The DENR Secretary affirmed on February 7, 1989 the Bureau of Lands' December 4, 1985 decision. Recourse to the

⁵ Docketed as Civil Case No. 36-2931; *id.* at 33-42.

⁶ Under Executive Order No. 192 (Providing for the Reorganization of the Department of Environment, Energy and Natural Resources; Renaming it as the Department of Environment and Natural Resources, and for Other Purposes) issued on June 10, 1987, the newly created Lands Management Bureau has absorbed the functions and powers of the Bureau of Lands except those line functions and powers

Office of the President (*OP*) had been unavailing, and the DENR Regional Office No. 2 issued on December 10, 1996 and June 6, 2000 alias writs of execution pursuant to the OP's decision.

The DENR Regional Office No. 2, through Regional Executive Director Alfredo S. Pascual (*respondent*), moved to dismiss the complaint for failure to state a cause of action. It argued that the petitioner had no legal right or title to file the complaint since the final and executory Bureau of Lands' December 4, 1985 decision ruled that the petitioner was not entitled to possess the lots.

THE RTC's RULING

In its June 20, 2001 order, the RTC denied the motion to dismiss, finding that the Bureau of Lands' December 4, 1985 decision was not yet final and executory since the OP's ruling on the appeal was "unavailable."⁷

The respondent elevated his case to the CA via a Rule 65 petition for *certiorari*, questioning the propriety of the RTC's denial of his motion to dismiss.

THE CA's RULING

In its December 29, 2004 decision, the CA set aside the RTC's order and dismissed the complaint for quieting of title for failure to state a cause of action. It found that the respondent's admission of the Bureau of Lands' adverse December 4, 1985 decision precluded the respondent's claim over

which were transferred to the regional field offices (*Modesto v. Urbina*, G.R. No. 189859, October 18, 2010, 633 SCRA 383, 395).

⁷ *Supra* note 4, at 75-A.

the lots. The Bureau of Lands' decision, being final and executory, is binding and conclusive upon the petitioner. Even assuming that the OP's ruling on the appeal was still "unavailable," the RTC should have dismissed the complaint for prematurity; an action to quiet title is not the proper remedy from an adverse decision issued by an administrative agency in the exercise of its quasi-judicial function.⁸

When the CA denied⁹ on June 28, 2005 the motion for reconsideration that followed, the petitioner filed the present petition.

THE PETITION

The petitioner argues that the complaint sufficiently stated a cause of action when it alleged that the petitioner is in open, exclusive, continuous, public and uninterrupted possession of the lots for more than thirty (30) years in the concept of an owner, and that the December 4, 1985 decision of the Bureau of Lands is invalid since the lots ceased to be public land upon the petitioner's open, exclusive, continuous, public and uninterrupted possession of the lots for more than thirty (30) years in the concept of an owner, pursuant to *The Director of Lands v. IAC*.¹⁰

THE CASE FOR THE RESPONDENT

The respondent submits that the petitioner has no cause of action because the Bureau of Lands' December 4, 1985 decision is final, precluding whatever ownership rights the petitioner may have had on the lots; the petitioner had slept on its rights when it failed to initiate the proper

⁸ *Supra* note 2.

⁹ *Supra* note 3.

¹⁰ 230 Phil. 590 (1986).

judicial remedies against the ruling; the doctrine of primary jurisdiction disallowed the judicial determination of the lots' ownership since the qualification of applicants in miscellaneous sales applications, as well as the identity of public lands, was subject to the Bureau of Lands' technical determination.

THE ISSUE

The issue in this case is whether the CA committed a reversible error in finding that the RTC committed a grave abuse of discretion in not dismissing the petitioner's complaint for quieting of title for failure to state a cause of action.

OUR RULING

The petition lacks merit as the CA committed no reversible error in its ruling.

A cause of action is the act or omission by which a party violates a right of another.

A complaint states a cause of action when it contains three essential elements: (1) a right in favor of the plaintiff by whatever means and whatever law it arises; (2) the correlative obligation of the defendant to respect such right; and (3) the act or omission of the defendant violates the right of the plaintiff. If any of these elements is absent, the complaint becomes vulnerable to a motion to dismiss on the ground of failure to state a cause of action.¹¹

¹¹ *Development Bank of the Philippines v. Castillo*, G.R. No. 163827, August 17, 2011, 655 SCRA 602, 612. See also *Heirs of Loreto C. Maramag v. Maramag*, G.R. No. 181132, June 5, 2009, 588 SCRA 774, 784.

“Failure to state a cause of action refers to the insufficiency of allegation in the pleading. In resolving a motion to dismiss based on the failure to state a cause of action only the facts alleged in the complaint must be considered. The test is whether the court can render a valid judgment on the complaint based on the facts alleged and the prayer asked for.”¹²

Under Articles 476¹³ and 477¹⁴ of the Civil Code, there are two (2) indispensable requisites in an action to quiet title: (1) that the plaintiff or complainant has a legal or an equitable title to or interest in the real property subject of the action; and (2) that a deed, claim, encumbrance or proceeding is claimed to be casting cloud on his title.

In the present case, the complaint alleges that:

3. Plaintiff has been in open, exclusive, continuous, public and uninterrupted possession in the concept of owner of the above-mentioned Lots 3 and 361 for more than thirty (30) years since the time plaintiff bought said lots in 1967 until the present. That plaintiff bought the above-mentioned lots both on February 6, 1967 from the following vendors: Armando Valdez (for Lot 3) and Emma Valdez (for Lot 361). x x x;

x x x x

9. The reason why plaintiff is filing this case for quieting of title with prayer for restraining order and/or injunction (preliminary and later on permanent) is due to the fact that there exists a cloud on the plaintiff's ownership and/or title over Lots 3 and 361 by reason of a document, record, claim, encumbrance, or proceeding which is apparently valid or effective, but is in truth and in fact invalid, ineffective, voidable and/or unenforceable and may be prejudicial to plaintiff's ownership,

¹² *Fort Bonifacio Development Corporation v. Sorongon*, G.R. No. 176709, May 8, 2009, 587 SCRA 613, 621. See also *Raytheon International, Inc. v. Rouzie, Jr.*, G.R. No. 162894, February 26, 2008, 546 SCRA 555, 564-565.

¹³ Article 476. Whenever there is a cloud on title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title. An action may also be brought to prevent a cloud from being cast upon title to real property or any interest therein.

¹⁴ Article 477. The plaintiff must have legal or equitable title to, or interest in the real property which is the subject matter of the action. He need not be in possession of said property.

rights and/or title. Hence this action to remove such cloud or prevent such cloud from being cast upon plaintiff's rights, interest or title to said property;

10. This so-called cloud is that Decision/Order issued by the Bureau of Lands dated December 4, 1985, the dispositive [portion] of which reads as follows:

“WHEREFORE, the Miscellaneous Sales Application Nos. V-65683, V-75134 and (II-2) 1047 of Marcelina Ordoño, Armando Valdez and Ricardo Gonzaga are hereby rejected forfeiting in favor of the government any amount paid on account thereof. Respondents Marcelina Ordoño, Armando Valdez, and Dionisio Gonzaga and all those in privity with them including the National Spiritual Assembly of the Baha'is shall, within sixty (60) days from receipt of a copy hereof, vacate Lots 3, 360 and 361 of Ccs-116 and remove their improvements thereon. One District Land Officer concerned shall thereafter take control and administration of the aforementioned lot until such time that the same can be disposed of in accordance with law. Protestant Silverio Songcuan shall file his appropriate public land application for Lot 361, Ccs-116 immediately upon the finality of this order.”

x x x x

11. A Motion for Reconsideration was filed on the aforementioned Decision, but the same was denied in an Order dated June 30, 1986. x x x;

12. Both the December 4, 1985 Decision and the Order dated June 30, 1986 were appealed by herein plaintiff to the Office of the Secretary of the DENR. However, the appeal was dismissed and the Decision and Order appealed from [were] affirmed in a Decision dated February 7, 1989. x x x. That Ricardo Gonzaga's recourse to the [O]ffice of the President was likewise unavailing;

13. Subsequently Alias Writs of Execution were issued pursuant to the above Decision, one such writ is dated December 10, 1996, while the other one is dated June 6, 2000. x x x;

x x x x

PRAYER

WHEREFORE, it is respectfully prayed of this Honorable Court, after due notice and hearing to issue judgment:

1. Declaring the plaintiff to be the true and lawful x x x possessor of Lots 3 and 361 all situated in Victory Sur, Santiago City;

2. Declaring defendants['] claims, documents or proceedings – particularly the above quoted Decision and subsequent Writs of Execution issued by the DENR and/or Bureau of Lands [–] to be null and void and having no effect whatsoever as far as plaintiff's rights of possession, ownership over Lots 3 and 361[.]¹⁵

From these allegations, we find it clear that the petitioner no longer had any legal or equitable title to or interest in the lots. The petitioner's status as possessor and owner of the lots had been settled in the final and executory December 4, 1985 decision of the Bureau of Lands that the DENR Secretary and the OP affirmed on appeal. Thus, the petitioner is not entitled to the possession and ownership of the lots.

Jurisprudence teaches us that the decisions and orders of administrative agencies, such as the Bureau of Lands, rendered pursuant to their quasi-judicial authority, upon finality, have the force and binding effect of a final judgment within the purview of the doctrine of *res judicata*.¹⁶

The foundation principle upon which the doctrine rests is that the parties ought not to be permitted to litigate the same issue more than once; that x x x a right or fact [that] has been judicially tried and determined by a [tribunal or] court of competent jurisdiction x x x should be conclusive upon the parties and those in privity with them in law or estate[, so long as it remains unreversed].¹⁷

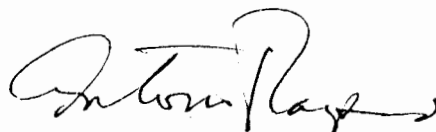
Accordingly, the petitioner is now barred from challenging the validity of the final and executory Bureau of Lands' December 4, 1985 decision.

¹⁵ *Rollo*, pp. 34-41.


¹⁶ *National Housing Authority v. Pascual*, G.R. No. 158364, November 28, 2007, 539 SCRA 102, 112; and *Dole Philippines, Inc. v. Esteva*, G.R. No. 161115, November 30, 2006, 509 SCRA 332, 371.

¹⁷ *Chu v. Cunanan*, G.R. No. 156185, September 12, 2011, 657 SCRA 379, 391; and *Tumbokon v. Legaspi*, G.R. No. 153736, August 4, 2010, 626 SCRA 736, 749.

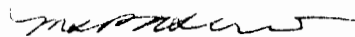
WE CONCUR:



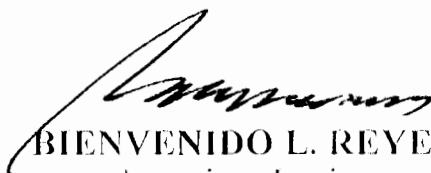
ANTONIO T. CARPIO
Senior Associate Justice
Chairperson



JOSE PORTUGAL PEREZ
Associate Justice



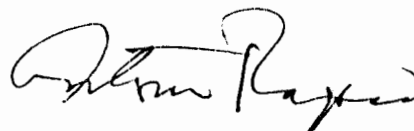
MARIA LOURDES P. A. SERENO
Associate Justice



BIENVENIDO L. REYES
Associate Justice

CERTIFICATION

I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ANTONIO T. CARPIO
Senior Associate Justice
(Per Section 12, R.A. 296,
The Judiciary Act of 1948, as amended)

Indeed, a final and executory decision can only be annulled by a petition to annul it on the ground of extrinsic fraud and lack of jurisdiction, or by a petition for relief from a final order or judgment under Rule 38 of the Revised Rules of Court.¹⁸ We find it significant that the petitioner filed no such petition; instead, it filed an action to quiet title to assail the allegedly invalid final and executory December 4, 1985 decision of the Bureau of Lands. Well-settled is the rule that once a judgment becomes final and executory, it can no longer be disturbed, altered or modified in any respect, except to correct clerical errors or to make *nunc pro tunc* entries. Nothing further can be done to a final judgment except to execute it.¹⁹ “[T]he prevailing party should not be denied the fruits of his victory by some subterfuge devised by the losing party.”²⁰ In sum, in this case, the petitioner opted for the wrong remedy and must now suffer for it.

WHEREFORE, we hereby **DENY** the petition for lack of merit, and **AFFIRM** the December 29, 2004 decision and the June 28, 2005 resolution of the Court of Appeals in CA-G.R. SP No. 66186.

Costs against the petitioner.

SO ORDERED.


ARTURO D. BRION
Associate Justice

¹⁸ *Salting v. Velez*, G.R. No. 181930, January 10, 2011, 639 SCRA 124, 131; and *Estate of Salud Jimenez v. Phil. Export Processing Zone*, 402 Phil. 271, 285 (2001).

¹⁹ *Salting v. Velez*, *supra*, at 131; and *Tamayo v. People*, G.R. No. 174698, July 28, 2008, 560 SCRA 312, 322-323.

²⁰ *Ruben C. Reyes v. Tang Soat Ing (Joanna Tang) and Ando G. Sy*, G.R. No. 185620, December 14, 2011; and *Tongonan Holdings and Development Corporation v. Escañó, Jr.*, G.R. No. 190994, September 7, 2011, 657 SCRA 306, 318.