



**Republic of the Philippines
Supreme Court
Manila**

SECOND DIVISION

**REPUBLIC OF THE PHILIPPINES, represented by the
Regional Executive Director of the
Department of Environment and
Natural Resources, Regional Office
No. 3,**

Petitioner,

- versus -

**ROMAN CATHOLIC
ARCHBISHOP OF MANILA,**

Respondent.

X-----X

G.R. No. 192994

Present:

**SAMAHANG KABUHAYAN NG
SAN LORENZO KKK, INC.,
represented by its Vice President
Zenaida Turla,**

**CARPIO, J., Chairperson,
BRION,
DEL CASTILLO,
PEREZ, and
PERLAS-BERNABE, JJ.**

Petitioner,

- versus -

Promulgated:

ROMAN CATHOLIC
ARCHBISHOP OF MANILA,

NOV 12 2012 *NOV 12 2012*

Respondent.

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DECISION

PERLAS-BERNABE, J.:

Before the Court are two separate petitions filed under Rule 45 of the Rules of Court seeking to set aside the April 22, 2010 Decision¹ and July 19, 2010 Resolution² of the Court of Appeals (CA) which ordered the Regional Trial Court (RTC), Branch 84³ of Malolos, Bulacan to grant the motion to dismiss filed by respondent Roman Catholic Archbishop of Manila (RCAM) and to dismiss the complaint of petitioner Republic of the Philippines (Republic).

On November 22, 2010, respondent RCAM filed a motion¹ for consolidation of the two (2) cases on the ground that they involve a common issue, have the same parties and assail the same Decision and Resolution of the CA which was granted by the Court in its January 12, 2011 Resolution.⁵

¹ Penned by Presiding Justice Andres B. Reyes, Jr. with Associate Justices Japar B. Dimaampao and Stephen C. Cruz, concurring, G.R. No. 192975 *rollo*, pp. 47-65.

Id. at 66-67.

⁵ Erroneously referred to as Branch 89 in the CA Decision's dispositive portion. *Id.* at 65.

G.R. No. 192994 *rollo*, pp. 214-217.

⁵ *Id.* at 218-219.

Promulgated:

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DECISION

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⁴ G.R. No. 192994 *rollo*, pp. 214-217.

⁵ Id. at 218-219.

The Facts

On January 30, 2007, petitioner Republic filed a complaint docketed as Civil Case No. 62-M-2007 before the RTC of Malolos City, Bulacan, for cancellation of titles and reversion against respondent RCAM and several others.⁶ The complaint alleged, *inter alia*, that RCAM appears as the registered owner of eight (8) parcels of land, Lot Nos. 43 to 50, with a total area of 39,790 square meters, situated in Panghulo, Obando, Bulacan under Original Certificate of Title (OCT) No. 588 supposedly issued by the Register of Deeds of Bulacan on November 7, 1917. OCT No. 588 allegedly emanated from Decree No. 57486 issued on October 30, 1917 by the Chief of the General Land Registration Office pursuant to a decision dated September 21, 1915 in Land Registration Case No. 5, G.L.R.O. Record No. 9269 in favor of RCAM. A reading, however, of the said decision reveals that it only refers to Lot Nos. 495, 496, 497, 498 and 638 and not to Lot Nos. 43 to 50. In 1934, RCAM sold the said eight (8) parcels of land to the other named defendants in the complaint resulting in the cancellation of OCT No. 588 and issuance of transfer certificates of title in the names of the corresponding transferees. Subsequently, the Lands Management Bureau conducted an investigation and ascertained that the subject lots are identical to Lot No. 2077, Cad-302-D and Lot Nos. 1293, 1306 and 1320, Cad-302-D with a total area of 22,703 square meters. These parcels of land were certified by the Bureau of Forest Development on January 17, 1983 as falling within the unclassified lands of the public domain and it was only on May 8, 1984 that they were declared alienable and disposable per Forestry Administrative Order No. 4-1776, with no public land application/ land patent.⁷

⁶ G.R. No. 192975 *rollo*, pp. 22 & 68.

⁷ *Id.* at 71-76.

On April 16, 2007, petitioner Republic received a copy of a motion for leave to intervene and to admit complaint-in-intervention filed by the SamahangKabuhayanng San Lorenzo KKK, Inc. (KKK),⁸ occupants of the subject property, which was subsequently granted by the RTC.⁹ Thenceforth, answers and various other pleadings were filed by the appropriate parties.

During the course of the pre-trial, RCAM filed a motion to dismiss assailing the jurisdiction¹⁰ of the RTC over the complaint. It alleged that the action for reversion of title was essentially one for annulment of judgment of the then Court of First Instance (CFI) of Bulacan, acting as a Land Registration Court,¹¹ hence, beyond the competence of the RTC to act upon.

Ruling of the Trial Court

In its Orderdated January 27, 2009,¹² the RTC denied RCAM's motion to dismiss for being premature. It declaredthat while the decision of the CFI dated September 21, 1915 pertains only to parcels 495, 496, 497 and 498 and did not mention Lot Nos. 43 & 50, an examination of OCT No. 588 and Decree No. 57486 reveals that the subject lots were conferred on RCAM pursuant to a decision in G.L.R.O Record No. 9269 promulgated on December 3, 1914. Hence, it found a need to first ascertain the litigious issues of whether a separate prior decision was promulgated on December 3, 1914 as stated in Decree No. 57486¹³ and whether the issuance of the

⁸ Id. at 23.

⁹ Id. at 25.

¹⁰ Id. at 27-28.

¹¹ Id. at 201.

¹² Id. at 201-203. Penned by Presiding Judge Wilfredo T. Nieves.

¹³ Id. at 113-116.

subject decree and inclusion of Lot Nos. 43 to 50 were done in violation of such separate decision.

RCAM's motion for reconsideration having been denied, the matter was elevated to the CA on *certiorari* alleging grave abuse of discretion on the part of the RTC.

Ruling of the Court of Appeals

In its assailed Decision,¹⁴ the CA held that while reversion suits are allowed under the law, the same should be instituted before the CA because the RTC cannot nullify a decision rendered by a co-equal land registration court. The CA further applied equitable estoppel against the State and considered it barred from filing a reversion suit. It explained that the lots were already alienated to innocent purchasers for value and the State failed to take action to contest the title for an unreasonable length of time. Hence, the CA ordered the RTC to grant RCAM's motion to dismiss.

Both petitioners separately moved for reconsideration which the CA denied in its July 12, 2010 Resolution. Hence, the present petitions.

¹⁴ Supra note 1.

Issue Before the Court

The consolidated cases raise the common issue of whether or not the RTC has jurisdiction over the action filed by the Republic.

The Court's Ruling

The petitions are meritorious.

Petitioners insist that they do not seek the annulment of judgment of the RTC (then CFI) acting as Land Registration Court but the nullification of the subject OCT No. 588 and the derivative titles over Lot Nos. 43 to 50. They claim that these parcels of land could not have been validly titled in 1917 because they were not the subject of Land Registration Case No. 5, G.L.R.O. Record No. 9269. Moreover, these lots were not yet classified as alienable and disposable at that time, having been declared as such only on May 8, 1984. On the other hand, the respondent maintains that petitioners' suit essentially seeks the annulment of judgment of the RTC, hence, jurisdiction lies with the CA under Rule 47 of the Rules of Court. Consequently, the RTC was correctly ordered by the CA to grant the motion to dismiss.

An order denying a motion to dismiss is an interlocutory order which neither terminates nor finally disposes of a case as it leaves something to be

done by the court before the case is finally decided on the merits.¹⁵ Thus, as a general rule, the denial of a motion to dismiss cannot be questioned in a special civil action for *certiorari* which is a remedy designed to correct errors of jurisdiction and not errors of judgment.¹⁶ However, when the denial of the motion to dismiss is tainted with grave abuse of discretion, the grant of the extraordinary remedy of *certiorari* may be justified.¹⁷ By grave abuse of discretion is meant such capricious and whimsical exercise of judgment that is equivalent to lack of jurisdiction.¹⁸ The abuse of discretion must be grave as where the power is exercised in an arbitrary or despotic manner by reason of passion or personal hostility, and must be so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined by or to act at all in contemplation of law.¹⁹

Respondent's motion to dismiss assails the jurisdiction of the RTC over the nature of the action before it. Hence, to determine whether the RTC gravely abused its discretion in denying the motion to dismiss it is pertinent to first ascertain whether the RTC has jurisdiction over the case.

It is axiomatic that the nature of an action and whether the tribunal has jurisdiction over such action are to be determined from the material allegations of the complaint, the law in force at the time the complaint is filed, and the character of the relief sought irrespective of whether the plaintiff is entitled to all or some of the claims averred.²⁰ Jurisdiction is not

¹⁵ *NM Rothschild & Sons (Australia) v. Lepanto Consolidated Mining Company*, G.R. No. 175799, November 28, 2011, 661 SCRA 328.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Arzaga v. Copias*, 448 Phil. 171, 180 (2003); *Del Mar v. PAGCOR*, 400 Phil. 307, 326 (2000).

affected by the pleas or the theories set up by defendant in an answer to the complaint or a motion to dismiss the same.²¹

In the present case, the material averments, as well as the character of the relief prayed for by petitioners in the complaint before the RTC, show that their action is one for cancellation of titles and reversion, not for annulment of judgment of the RTC. The complaint alleged that Lot Nos. 43 to 50, the parcels of land subject matter of the action, were not the subject of the CFI's judgment in the relevant prior land registration case. Hence, petitioners pray that the certificates of title of RCAM be cancelled which will not necessitate the annulment of said judgment. Clearly, Rule 47 of the Rules of Court on annulment of judgment finds no application in the instant case.

The RTC may properly take cognizance of reversion suits which do not call for an annulment of judgment of the RTC²² acting as a Land Registration Court. Actions for cancellation of title and reversion, like the present case, belong to the class of cases that "involve the title to, or possession of, real property, or any interest therein"²³ and where the assessed value of the property exceeds ₱20,000.00,²⁴ fall under the jurisdiction of the RTC.²⁵ Consequently, no grave abuse of discretion

²¹ Id.

²² See *Republic v. Cacho*, G.R. 173401, July 7, 2010, 624 SCRA 360, 471-491.

²³ Batas PambansaBlg. 129, Sec. 19(2). *Santos v. CA*, G.R. No. 61218, September 23, 1992, 214 SCRA 162, 163.

²⁴ Republic Act 7691, An Act Expanding the Jurisdiction of the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts, Amending for the Purpose Batas PambansaBlg. 129, otherwise known as the "Judiciary Reorganization Act of 1980," approved on March 25, 1994.

²⁵ Sec. 19. *Jurisdiction in civil cases.* - Regional Trial Courts shall exercise exclusive original jurisdiction:

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(2) In all civil actions which **involve the title to, or possession of, real property, or any interest therein, where the assessed value of the property involved exceeds Twenty thousand pesos (P20,000.00)** or, for civil actions in Metro Manila, where such value exceeds Fifty thousand pesos (P50,000.00) except actions for forcible entry into and unlawful detainer of lands or buildings, original

excess of jurisdiction can be attributed to the RTC in denying RCAM's motion to dismiss.


Moreover, it should be stressed that the only incident before the CA for resolution was the propriety of RCAM's motion to dismiss, thus, it was premature for the CA at this stage to apply the doctrine of equitable estoppel as the parties have not presented any evidence that would support such finding.

WHEREFORE, the petitions are **GRANTED**. The assailed April 22, 2010 Decision and July 19, 2010 Resolution of the Court of Appeals are hereby **ANNULLED** and **SET ASIDE**. The Order of the Regional Trial Court, Branch 84 of Malolos, Bulacan is **AFFIRMED**.

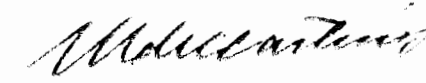
SO ORDERED.



ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson

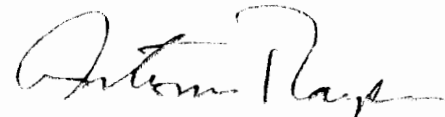

ARTURO D. BRION
Associate Justice


MARIANO C. DEL CASTILLO
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice


ATTESTATION

I attest 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
Associate Justice
Chairperson
Second Division

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.


MA. LOURDES P. A. SERENO
Chief Justice