



Republic of the Philippines  
**Supreme Court**  
Manila

**FIRST DIVISION**

**CHARLIE LIM (represented by  
his heirs) and LILIA  
SALANGUIT,<sup>1</sup>**

Petitioners,

- versus -

**G.R. No. 183589**

Present:

SERENO, C.J.,  
*Chairperson,*  
LEONARDO-DE CASTRO,  
BERSAMIN,  
VILLARAMA, JR., and  
REYES, JJ.

**SPOUSES DANILO LIGON and  
GENEROSA VITUG-LIGON,**  
Respondents.

Promulgated:

**JUN 25 2014**

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**DECISION**

**VILLARAMA, JR., J.:**

At bar is a petition for review on certiorari of the Decision<sup>2</sup> and Resolution<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. CV No. 84284 dated December 28, 2007 and July 3, 2008, respectively, affirming with modification the Decision<sup>4</sup> of the Regional Trial Court (RTC) of Nasugbu, Batangas. The case arose from an action<sup>5</sup> for Quieting of Title, Recovery of Possession and Damages with Prayer for a Temporary Restraining Order and Preliminary Injunction, filed by herein respondents before the court *a quo* involving the subject land located at Sitio Kuala, Barangay Wawa, Nasugbu, Batangas, with an area of 9,478 square meters and covered by Transfer Certificate of Title (TCT) No. TP-1792.<sup>6</sup>

The following undisputed findings of facts, as found by the trial court, are stated in the opinion of the CA:

<sup>1</sup> Also spelled as Salanguit or Salangit in some parts of the records.

<sup>2</sup> *Rollo*, pp. 55-72. Penned by Associate Justice Amelita G. Tolentino with Associate Justices Lucenito N. Tagle and Agustin S. Dizon concurring.

<sup>3</sup> *Id.* at 73-75. Penned by Associate Justice Amelita G. Tolentino with Associate Justices Magdangal M. De Leon and Pampio A. Abarintos concurring.

<sup>4</sup> *Id.* at 225-235. Penned by Acting Presiding Judge Elihu A. Ybañez.

<sup>5</sup> Records, pp. 1-14.

<sup>6</sup> *Id.* at 15.

As synthesized from the admissions made by the parties in their respective pleadings, the documentary and testimonial evidence adduced during the proceedings[,] it appears that sometime in 1970, one Tomas Fernandez filed a Free Patent Application over a parcel of land situated in Sitio Kuala, Barangay Wawa, Nasugbu, Batangas with an area 9,[478] sq. meters. After the death of Tomas Fernandez, his son Felicisimo pursued the application and on 25 April 1984, the survey plan under Psu No. 04-008565 was approved by the Bureau of Lands.

In 1985, the spouses Isaac and Concepcion Ronulo asked the assistance of the Office of the President and requested investigation of their claim that a parcel of land containing **1,000 square meters** which they have been occupying since the 1950s was included in the approved survey plan PSU-04-008565 in the name of Tomas Fernandez.

The Office of the President referred the matter to the Bureau of Lands which in turn referred the same to the DENR-Region IVB for appropriate action.

On October 9, 1995, Regional Director Antonio Prinsipe of DENR Provisional Region IV-A issued an Order in DENR Case No. IV-5516, the dispositive portion of which reads:

“WHEREFORE, premises considered and finding the protest of Spouses Isaac and Concepcion Ronulo to be meritorious, the plan PSU-04-008565 approved in the name of Tomas Fernandez is hereby, as it is, ordered CANCELLED and whatever amount paid on account thereof forfeited in favor of the Government. Consequently, the aforementioned spouses Ronulo are hereby advised to cause the survey and to file the appropriate public land application over the land actually possessed and occupied by them. (Exh. A-2).”

The above order was appealed by Felicisimo Fernandez to the Office of the DENR Secretary and was docketed therein as DENR Case No. 5101.

On 20 October 1995, the already widowed Concepcion Ronulo executed an Affidavit of Waiver of Rights over the parcel of land subject of DENR Case No. IV-5516 in favor of herein defendant Lim who will “file the appropriate public land application (Exh. A-3).” On the same date, the children of Concepcion Ronulo executed an affidavit of conformity to the waiver, conveyance and transfer of the property subject of DENR Case No. IV-5516 in favor of Charlie Lim (Exh. A-4).

In the meantime, herein plaintiffs Spouses Danilo Ligon and Generosa Vitug-Ligon purchased the subject property from Felicisimo Fernandez and introduced improvements thereon, including a beach house. On 31 October 1995, TCT No. TP-1792 (Exh. A-1) of the Registry of Deeds of Nasugbu, Batangas was issued in the name of the spouses Ligon based on Free Patent No. (IV03A) issued on 11 December 1986 and an analogous Original Certificate of Title No. OP-1808 (Exh. B) dated 16 December 1993, both in the name of Felicisimo Fernandez.

On 09 September 1996, defendant Lim filed a complaint for forcible entry against the petitioners with the Municipal Trial Court of Nasugbu, Batangas involving the subject property. The case was docketed

as Civil Case No. 1275. On May 26, 1997, the trial court rendered judgment (Exh. A-5) in favor of private respondent and ordered petitioners to vacate the subject land. The trial court based its decision on the alleged finality of the Order dated 09 October 1995 issued by Regional Director Prinsipe in DENR Case No. IV-5516.

Plaintiffs appealed the adverse decision to the Regional Trial Court of Nasugbu, Batangas but the same was affirmed in a decision dated 12 January 1998 (Exh. A-6).

On 20 July 1998, plaintiffs appealed the RTC decision to the Court of Appeals by way of a petition for review. In a decision (Exh. A-7) dated 20 January 1999, the Court of Appeals dismissed the petition for review.

On 28 May 1999, the DENR Secretary rendered a decision (Exh. A-8) in DENR Case No. 5102 reversing the order of Regional Director Prinsipe in DENR Case No. IV-5516 dated 09 October 1995, dismissing the protest of the Ronulos, and ordering that TCT No. TP-1792 in the name of plaintiffs “shall remain undisturbed.”

On 14 July 1999, the Ronulos filed a motion for reconsideration of the above decision. In an order (Exh. A-9) dated 21 December 1999, the DENR Secretary denied the motion for reconsideration.

On 16 January 2000, the Ronulos filed a second motion for reconsideration of the decision of the DENR Secretary in DENR Case No. 5102.

Meanwhile, as a result of the finality of the judgment in the ejectment case, plaintiffs were evicted from the subject property. On 01 March 2000, they filed the instant suit before this Court, a complaint against defendant Lim and his representative, Lilia Salanguit, for Quieting of Title, Recovery of Possession and Damages with prayer for a TRO and Preliminary Injunction, to restore them to their possession of the subject property and to enjoin herein defendant Lim from demolishing their beach house.

On 10 April 2000, this Court denied plaintiffs’ application for injunctive relief as a result of which plaintiffs’ beach house was demolished by the Branch Sheriff on the motion of defendants.

On 16 April 2000, plaintiffs filed a supplemental complaint for additional damages as a result of the demolition of their beach house worth about ₱7 million. Defendants did not answer the supplemental complaint despite being ordered to do so.

During the pre-trial on 08 August 2000, the parties agreed to hold hearings on 25 September, 06 October and 20 October 2000. However, the first two hearing dates were cancelled at the instance of the defendants. During the scheduled hearing on 20 October 2000, defendant and counsel did not appear. Instead, Judge Antonio de Sagun, then the Honorable Presiding Judge informed plaintiffs that herein defendant Lim filed a Motion to Suspend Proceedings on the ground that the denial of the second motion for reconsideration in DENR Case No. 5102 was appealed to the Office of the President. In his motion, defendant alleged that trial should be suspended pending “final adjudication of the case (DENR Case No. 5102) before the Office of the President where the issue of validity of plaintiff’s title is squarely involved.

In an Order dated 13 November 2000, this Court granted the

motion to suspend proceedings. Petitioners filed a motion for reconsideration but the same was denied by then Presiding Judge Antonio de Sagun in an order dated 10 January 2001.

On February 19, 2001, plaintiffs filed a Petition for Certiorari before the Court of Appeals in CA-G.R. SP No. 63441, assailing the suspension of proceedings ordered by this Honorable Court which, after due proceedings, was granted and the Order dated November 13, 2000 issued by this Court suspending the proceedings of this case reversed and set aside in a Decision of the said appellate court dated March 6, 2002.

No motion for reconsideration or any appellate recourse to the Supreme Court having been interposed by defendants, plaintiffs on June 7, 2002, moved to set this case for further proceedings. This Court granted the motion and this case was set for trial on August 30, 2002 at 8:30 a.m.

On August 30, 2002, in view of the absence of the defendants and their counsel despite due notice, evidence for plaintiffs was presented ex-parte with plaintiff Danilo Ligon taking the witness stand. After plaintiff's direct examination, this Court ordered a resetting of the case for cross-examination by defendants on November 18, 2002 at 8:30 a.m. Counsel and his witness plaintiff Danilo Ligon were present during the November 18, 2002 scheduled trial in which defendants were properly notified. Defendants and counsel were absent prompting this Honorable Court, upon plaintiff's motion to consider the cross-examination of plaintiff Danilo Ligon by defendants as waived; the continued absence of the defendants as indicative of lack of interest to further defend this case; Grant plaintiff's motion for ten (10) days within which to file Formal Offer of Evidence and thirty (30) days from November 18, 2002, within which to file their Memorandum. After which, this case will be deemed submitted for decision.<sup>7</sup>

In its decision dated February 3, 2004, the RTC ruled, *viz.*:

WHEREFORE, PREMISES CONSIDERED, judgment is rendered for the plaintiffs as follows:

1. Confirming the ownership of the plaintiffs and right of possession over the property;
2. Ordering the defendants to indemnify the plaintiffs the sum of ₱6,000,000.00 for indecent haste in causing the demolition of plaintiffs' house;
3. Ordering the defendants to pay plaintiffs the sum of ₱50,000.00 a month as monthly rental for the duration of the period they are deprived thereof commencing the month of November 1999;
4. Ordering the defendants to pay plaintiffs the sum of ₱1,000,000.00 as moral damages; and
5. Ordering the defendants to pay plaintiffs the sum of ₱500,000.00 as attorney's fees and the costs.

SO ORDERED.<sup>8</sup>

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<sup>7</sup> *Rollo*, pp. 225-229. Emphasis supplied.

<sup>8</sup> *Id.* at 235.

Petitioners appealed the RTC decision with the CA alleging that the lower court erred in deciding the case based on the *ex-parte* evidence presented by respondents, in ruling that Felicisimo was the original owner of the questioned property, in ruling that the Order of the Department of Environment and Natural Resources (DENR) Regional Executive Director was a collateral attack against TCT No. TP-1792 of the Spouses Ligon, in ruling that the Spouses acquired the subject property in good faith, in not giving weight and credit to the Resolution of the Office of the President (OP) dated March 24, 2004, in ordering Lim and Salangit to pay a monthly rental of ₱50,000.00 for the duration of the period that the Spouses Ligon have been deprived of their property, and in ordering Lim and Salangit to pay the Spouses Ligon attorney's fees.

In its assailed Decision dated December 28, 2007, the appellate court dismissed the appeal, *viz.*:

**WHEREFORE**, in the light of the foregoing, the appeal is **DISMISSED** for utter lack of merit. The challenged *decision* of the Regional Trial Court of Nasugbu, Batangas, Branch 14 is **AFFIRMED** with the **MODIFICATION** that the awards of ₱6,000,000.00 as indemnity and ₱50,000.00 representing the monthly rental for the subject property to the plaintiffs-appellees are **DELETED** for lack of factual basis. Costs against the defendants-appellants.

SO ORDERED.<sup>9</sup>

Petitioners moved for reconsideration<sup>10</sup> while respondents filed their Opposition To Motion For Reconsideration<sup>11</sup> in compliance with the directive of the appellate court. In a Resolution dated July 3, 2008, the CA denied reconsideration for lack of merit. Hence, this appeal raising the following issues:

WHETHER OR NOT THE PRINCIPLE OF EXHAUSTION OF ADMINISTRATIVE REMEDIES IS APPLICABLE IN THIS CASE IN LINE WITH [THE] PRINCIPLE OF RES JUDICATA OF A DECISION OF A QUASI-JUDICIAL AGENCY SUCH AS THE OFFICE OF THE PRESIDENT?

WHETHER OR NOT THE LOWER COURT AND THE COURT OF APPEALS RENDERED AN UNJUST JUDGMENT IN DEPRIVING THE PETITIONERS OF THEIR OWNERSHIP OVER THE SUBJECT PROPERTY BASED ON TECHNICALITY?

WHETHER OR NOT THE FINALITY OF THE JUDGMENT IN THE EJECTMENT CASE SERVED AS RES JUDICATA WITH RESPECT TO THE ISSUE OF PRIOR POSSESSION OF THE SPOUSES RONULOS (THE PREDECESSORS-IN-INTEREST OF THE PETITIONERS)?

WHETHER OR NOT THE COURT OF APPEALS ERRED IN AFFIRMING THE OWNERSHIP OF THE RESPONDENTS AND THE

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<sup>9</sup> Id. at 71.

<sup>10</sup> Id. at 83-87.

<sup>11</sup> CA *rollo*, pp. 236-252.

AWARD OF MORAL DAMAGES AS WELL AS ATTORNEYS FEES?<sup>12</sup>

We deny the petition.

On the first issue, petitioner Lim contends that when the OP reinstated the October 9, 1995 Order of DENR Regional Director Antonio G. Principe in its Resolution<sup>13</sup> dated March 24, 2004, such disposition served to put an end to the administrative proceedings. The petition thus states:

In a nutshell, the proceedings in the administrative case which went on to become a judicial case is the proper forum to determine the issue of ownership over the parcel of land subject matter of this case. Basically, this case lodged before the DENR Provincial Region IV-A is an initiatory move by the government for the reversion/cancellation of the title of the respondents herein, which title was derived from the fraudulent and irregular survey of the lot in question and the grant of the land patent application of Felicisimo Fernandez. In other words, if this case before the Court of Appeals where this issue was raised affirms with finality the Resolution of the Office of the President (Annex “C”), this will have the effect of cancelling the title of the respondents and shall pave the way to the institution of the application by the Ronulos (or the herein petitioners as their successors-in-interest) of a public land patent in their favor.<sup>14</sup>

Petitioner Lim further argues that the subject Resolution of the OP should have operated as a bar to the furtherance of these proceedings as to “the issue” judicially determined by the OP. According to petitioner Lim, had the CA taken into account the administrative proceedings before the DENR and the Resolution of the OP, it would have come up with a determination that fraud was perpetrated by the respondents. The findings of the DENR Regional Executive Director, as affirmed in the subject resolution of the OP, should operate as *res judicata* that will have the effect of cancelling the title of respondents.

We do not agree.

For a judgment to constitute *res judicata*, the following requisites must concur:

x x x (a) the former judgment was final; (b) the court that rendered it had jurisdiction over the subject matter and the parties; (c) the judgment was based on the merits; and (d) between the first and the second actions, there was an identity of parties, subject matters, and causes of action.

Res judicata embraces two concepts: (1) bar by prior judgment and (2) conclusiveness of judgment.

Bar by prior judgment exists “when, as between the first case where the judgment was rendered and the second case that is sought to be barred, there is identity of parties, subject matter, and causes of action.”

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<sup>12</sup> *Rollo*, p. 41.

<sup>13</sup> *Id.* at 76-82.

<sup>14</sup> *Id.* at 44.

On the other hand, the concept of conclusiveness of judgment finds application “when a fact or question has been squarely put in issue, judicially passed upon, and adjudged in a former suit by a court of competent jurisdiction.” This principle only needs identity of parties and issues to apply.<sup>15</sup>

Neither bar by prior judgment nor conclusiveness of judgment applies to the case at bar. While there is identity of parties and subject matter between the instant case and the matter before the DENR and later the OP, the causes of action are not the same. The present case arose from a case for quieting of title<sup>16</sup> where the plaintiff must show or prove legal or equitable title to or interest in the property which is the subject-matter of the action. Legal title denotes registered ownership, while equitable title means beneficial ownership. Without proof of such legal or equitable title, or interest, there is no cloud to be prevented or removed.<sup>17</sup> The administrative proceedings before the DENR and now the OP, on the other hand, were instituted on behalf of the Director of Lands, in order to investigate any allegation of irregularity in securing a patent and the corresponding title to a public land under Section 91 of the Public Land Act, viz.:

SEC. 91. The statements made in the application shall be considered as essential conditions and parts of any concession, title, or permit issued on the basis of such application, and any false statement therein or omission of facts altering, changing, or modifying the consideration of the facts set forth in such statements, and any subsequent modification, alteration or change of the material facts set forth in the application shall *ipso facto* produce the cancellation of the concession, title, or permit granted. It shall be the duty of the Director of Lands, from time to time and whenever he may deem it advisable, to make the necessary investigations for the purpose of ascertaining whether the material facts set out in the application are true, or whether they continue to exist and are maintained and preserved in good faith, and for the purposes of such investigation, the Director of Lands is hereby empowered to issue *subpoenas* and *subpoenas duces tecum* and, if necessary, to obtain compulsory process from the courts. In every investigation made in accordance with this section, the existence of bad faith, fraud, concealment, or fraudulent and illegal modification of essential facts shall be presumed if the grantee or possessor of the land shall refuse or fail to obey a *subpoena* or *subpoena duces tecum* lawfully issued by the Director of Lands or his authorized delegates or agents, or shall refuse or fail to give direct and specific answers to pertinent questions, and on the basis of such presumption, an order of cancellation may issue without further proceedings.

Given the lack of identity of the issue involved in the instant case vis-à-vis the issue in the administrative proceedings before the DENR and the OP, there can also be no bar by conclusiveness of judgment.

To be sure, even if there was an identity of the issues involved, there

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<sup>15</sup> *Pryce Corporation v. China Banking Corporation*, G.R. No. 172302, February 18, 2014, pp. 6-7. Citations omitted.

<sup>16</sup> Quieting of Title, Recovery of Possession and Damages with Prayer for a Temporary Restraining Order and Preliminary Injunction.

<sup>17</sup> *Mananquil v. Moico*, G.R. No. 180076, November 21, 2012, 686 SCRA 123, 124.

still would have been no bar by prior judgment or conclusiveness of judgment since the March 24, 2004 Resolution of the OP has not reached finality – it being the subject of an appeal by respondents Spouses Ligon under CA-G.R. SP No. 85011. Furthermore, in terms of subject matter, the property involved in the administrative proceedings is a 1,000-square meter tract of land over which petitioners' alleged right of possession could ripen into ownership. On the other hand, the instant case involves the issue of the ownership or the validity of the title of respondents over the entire 9,478-square meter tract of land where petitioners claim to have enjoyed open, continuous exclusive and notorious possession for more than thirty years over a 1,000-square meter portion thereof.

On the second issue that the lower court and the CA rendered an unjust judgment depriving petitioners of their ownership over the subject property on the basis of technicality, we cannot as well agree.

Petitioner Lim proffers the following excuses for his failure to comply with the resolutions and other directives of the court *a quo*: that his counsel withdrew his appearance while the case was pending before the RTC; that his representative, Salangit, had a sudden death, causing him to lose track and control of the proceedings; that he was not aware of the *ex-parte* presentation of evidence by respondent Danilo Ligon; and, that the court *a quo* waived for him his right to present evidence due to lack of interest. It is central to petitioner Lim's argument that he was deprived of his right to due process and lost his right to property without being fully afforded an opportunity to interpose his defense – part of which is the March 24, 2004 Resolution of the OP which would have been highly persuasive in determining the issues of ownership and possession in this case. Petitioner Lim therefore pleads that this Court afford him the amplest opportunity to present evidence and disregard technicalities in the broader interest of justice.

We hold that the RTC did not err when it ruled and based its decision on the *ex-parte* evidence of respondents spouses. Petitioners were absent, despite due notice, during the *ex-parte* presentation of evidence of respondents. Petitioners were likewise absent during cross-examination despite proper notice. When respondents filed their Formal Offer of Evidence and Memorandum, petitioners did not file any opposition or comment despite receipt of the documents.

To be sure, petitioner Lim cannot attribute all blame on the gross negligence of his previous counsels. He cannot bank on such negligence, including the sudden death of his representative Salangit who used to coordinate with his counsels, with impunity. Petitioner Lim's own equally gross and contributory negligence in this case is glaring and inexcusable that it constrains us from re-opening the case. This was aptly described by the RTC in its Resolution<sup>18</sup> dated December 10, 2003 denying petitioners' motion for reconsideration to the Order considering the case submitted for decision, *viz.*:

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<sup>18</sup> Records, pp. 652-659.



The reasons advanced by the defendants are flimsy and bereft of merit. x x x.

x x x defendants' counsel was duly notified beforehand of the scheduled hearing on August 30, 2002, but for unknown reasons, defendants and counsel failed to appear. Suffice it to say that this Court even became lenient to them when it set another hearing on November 18, 2002, for them to exercise their so-called right to cross-examine plaintiffs' witness. But then again, records will show that despite receipt of Order dated August 30, 2002, wherein the Court directed plaintiff Ligon to be present on November 18, 2002 for cross-examination, both defendants and counsel did not show up without giving any reason for their absence.

x x x x

Defendants cannot rightfully claim of losing track and control of the proceedings had in this case since they can easily verify the records regarding the status of the case, especially that they admitted that they have differences with their counsel. They should have taken account of the length of time that already elapsed since the August 30, 2002 hearing. They could have done so with facility. The fact that they did not is clear that they slept unreasonably on their right.

Stress should be made that plaintiff even furnished them with a copy of the Formal Offer of Evidence and Memorandum filed to this Court as early as November 26, 2002 and December 18, 2002, respectively, yet not even a comment or opposition evinced reply from the defendants. This matter is too important to be completely disregarded.

x x x x

If the defendants were, using their own terms, not allowed to cross-examine would be denied due process, then, they have nobody but themselves to blame. They failed to comply with the basic rudiments of the Rules of Civil Procedure. Defendants cannot take advantage of their own *faux pas* and invoke the principle of liberality. If they come to Court for leniency, they must do so with clean hands. Since they sought relief with "dirty hands", their plea must be denied. x x x.<sup>19</sup>

Likewise, the CA properly concluded that:

x x x there is no truth to the defendants-appellants' claim that they were denied due process when the trial court allowed the plaintiffs-appellees to present their evidence *ex-parte*. The trial court gave them all the opportunity to cross-examine the plaintiff-appellee Danilo Ligon but they failed to appear on the scheduled hearing. Hence, they have nobody to blame but themselves.<sup>20</sup>

As to the third issue, petitioner Lim argues that the finality of the judgment in the ejectment case serves as *res judicata* with respect to the issue of prior possession of the Spouses Ronulos – the predecessors-in-interest of the petitioners. In the **ejectment case** filed by petitioner Lim against the same respondents in the Municipal Trial Court (MTC) of Nasugbu, Batangas in Civil Case No. 1275, the MTC ruled on May 26, 1997

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<sup>19</sup> Id. at 656-658.

<sup>20</sup> *Rollo*, p. 63.

that prior possession was established in favor of the Ronulo spouses. When the respondents Ligon Spouses appealed, the RTC affirmed the decision of the MTC. The CA also dismissed the appeal of respondent spouses. On appeal to this Court docketed as G.R. No. 139856, a Resolution dated October 13, 1999 was issued denying the appeal with finality. Hence, petitioner Lim now contends that the finality of the ejectment case “determining the issues of possession and prior possession serves as [*res judicata*] between the parties x x x inasmuch as the case herein involves the same parties, same issues and same property therein.”<sup>21</sup>

An ejectment suit is brought before the proper court to recover physical possession or *possession de facto* and not *possession de jure*. The use of summary procedure in ejectment cases is intended to provide an expeditious means of protecting actual possession or right to possession of the property and not to determine the actual title to an estate.<sup>22</sup> If at all, inferior courts are empowered to rule on the question of ownership raised by the defendant in such suits, only to resolve the issue of possession. Its determination on the ownership issue is, however, not conclusive.<sup>23</sup>

The following discussion in the case of *Spouses Diu v. Ibajan*<sup>24</sup> is instructive:

Detainer, being a mere quieting process, questions raised on real property are incidentally discussed. (*Peñalosa v. Tuason*, 22 Phil. 303.) In fact, any evidence of ownership is expressly banned by Sec. 4 of Rule 70 (Sec. 4, Rule 70 provides: “*Evidence of title, when admissible.* - Evidence of title to the land or building may be received solely for the purpose of determining the character and extent of possession and damages for detention.”) except to resolve the question of possession. (*Tiu v. CA*, 37 SCRA 99; *Calupitan v. Aglahi*, 65 Phil. 575; *Pitargue v. Sorilla*, 92 Phil. 5.) Thus, all that the court may do, is to make an **initial determination** of who is the owner of the property so that it can resolve who is entitled to its possession absent other evidence to resolve the latter. **But such determination of ownership is not clothed with finality. Neither will it affect ownership of the property nor constitute a binding and conclusive adjudication on the merits with respect to the issue of ownership.** x x x.<sup>25</sup>

Thus, under Section 18, Rule 70 of the Rules on Civil Procedure:

SEC. 18. *Judgment conclusive only on possession; not conclusive in actions involving title or ownership.* – The judgment rendered in an action for forcible entry or detainer shall be conclusive with respect to the possession only and shall in no wise bind the title or affect the ownership of the land or building. Such judgment shall not bar an action between the same parties respecting title to the land or building.

x x x x

<sup>21</sup> Id. at 50.

<sup>22</sup> *A. Francisco Realty and Development Corporation v. Court of Appeals*, 358 Phil. 833, 842 (1998). Citations omitted.

<sup>23</sup> Id. Citations omitted.

<sup>24</sup> 379 Phil. 482 (2000).

<sup>25</sup> Id. at 491. Emphasis supplied.

The legal limitation, despite the finality of the ruling in the ejectment case, however, is that the concept of possession or prior possession which was established in favor of petitioners' predecessors-in-interest in the ejectment case pertained merely to *possession de facto*, and not *possession de jure*. The favorable judgment in favor of petitioners' predecessors-in-interest cannot therefore bar an action between the same parties with respect to who has title to the land in question. The final judgment shall not also be held conclusive of the facts therein found in a case between the same parties upon a different cause of action not involving possession.<sup>26</sup> As what took place in the case at bar, the final judgment was not bar to this subsequent action to quiet respondents' title in order to settle ownership over the 9,478-square meter property.

Finally, on the fourth assignment of error, petitioner Lim raises the issue as to whether the CA erred in affirming the ownership of the respondents. This part of the petition, however, discusses no other additional ground for assailing the validity of the decision of the CA in affirming respondents' title to the property. Failing to adduce evidence to overturn the ruling of both the court *a quo* and the appellate court, we affirm the indefeasibility of respondents' title over the 9,478-square meter property.

We do not agree, however, with the ruling of the appellate court that a certificate of title issued pursuant to a public land patent becomes indefeasible and incontrovertible upon the expiration of one year from the date of issuance of the order for the issuance of the patent.<sup>27</sup> A free patent obtained through fraud or misrepresentation is void. Hence, the one-year prescriptive period provided in the Public Land Act does not bar the State from asking for the reversion of property acquired through such means.<sup>28</sup>

On the issue of moral damages, we agree with petitioner Lim that there is no basis for the award of moral damages of ₱1,000,000.00. Lim caused the demolition of the beach house of respondents pursuant to a writ of execution issued by the MTC of Nasugbu, Batangas in the ejectment case – the same judgment which was affirmed by the RTC, the CA and this Court. As Lim states in this petition, it will become an absurdity if he will be penalized and required to pay moral damages over a property the rightful possession of which has been awarded to them<sup>29</sup> in the ejectment case.

Lastly, we sustain the award of attorney's fees in the amount of ₱50,000.00 which the appellate court found to be reasonable considering the factual circumstances surrounding the case.<sup>30</sup>

**WHEREFORE,** the petition is **DENIED.** The Decision and

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<sup>26</sup> Id., citing *Sps. Medina v. Hon. Valdellon*, 159 Phil. 878 (1975); *Manlapaz v. Court of Appeals*, G.R. No. 39430, December 3, 1990, 191 SCRA 795, 802; *Javier v. Veridiano II*, G.R. No. 48050, October 10 1994, 237 SCRA 565.

<sup>27</sup> *Rollo*, p. 66.

<sup>28</sup> *Republic v. Heirs of Felipe Alejaga Sr.*, 441 Phil. 656, 663 (2002).

<sup>29</sup> *Rollo*, pp. 51-52.

<sup>30</sup> Id. at 71.


Resolution of the Court of Appeals in CA-G.R. CV No. 84284 dated December 28, 2007 and July 3, 2008, respectively, are **AFFIRMED** with the **MODIFICATION** that the award of ₱1,000,000.00 as moral damages is deleted for lack of factual basis. However, the award by the Court of Appeals of the amount of ₱50,000.00 as and for attorney's fees in favor of the herein respondents is hereby **REITERATED** and **UPHELD**.


No pronouncement as to costs.

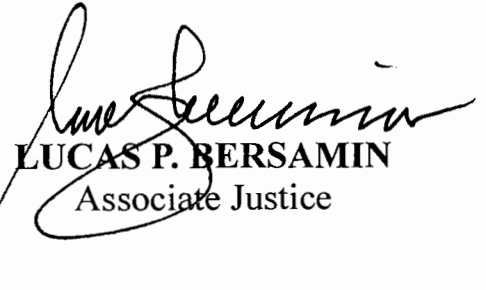
**SO ORDERED.**

  
**MARTIN S. VILLARAMA, JR.**  
Associate Justice

WE CONCUR:

  
**MARIA LOURDES P. A. SERENO**  
Chief Justice  
Chairperson

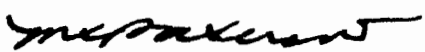
  
**TERESITA J. LEONARDO-DE CASTRO**  
Associate Justice

  
**LUCAS P. BERSAMIN**  
Associate Justice

  
**BIENVENIDO L. REYES**  
Associate Justice

### CERTIFICATION

Pursuant to Section 13, Article VIII of the 1987 Constitution, 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.

  
**MARIA LOURDES P. A. SERENO**  
Chief Justice