



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

**HEIRS OF PACIFICO POCDO,**  
**namely, RITA POCDO GASIC,**  
**GOLIC POCDO, MARCELA**  
**POCDO ALFELOR, KENNETH**  
**POCDO, NIXON CADOS,**  
**JACQUELINE CADOS LEE,**  
**EFLYN CADOS, and GIRLIE**  
**CADOS DAPLIN, herein represented**  
**by their Attorney-in-Fact JOHN**  
**POCDO,**

**G.R. No. 199146**

Present:

CARPIO, *J.*, Chairperson,  
BRION,  
DEL CASTILLO,  
PEREZ, and  
REYES, \* *JJ.*

Petitioners,

- versus -

**ARSENIA AVILA and**  
**EMELINDA CHUA,**  
Respondents.

Promulgated:

MAR 19 2014 *[Signature]*

X ----- X

**RESOLUTION**

**CARPIO, J.:**

**The Case**

This petition for review<sup>1</sup> assails the 12 October 2011 Decision<sup>2</sup> of the Court of Appeals in CA-G.R. CV No. 91039. The Court of Appeals affirmed the 14 January 2008 Resolution of the Regional Trial Court of Baguio City, Branch 61, in Civil Case No. 4710-R, dismissing the complaint for lack of jurisdiction.

\* Designated acting member per Special Order No. 1650 dated 13 March 2014.  
<sup>1</sup> Under Rule 45 of the 1997 Rules of Civil Procedure.  
<sup>2</sup> *Rollo*, pp. 30-42. Penned by Associate Justice Mario L. Guariña III, with Associate Justices Apolinario D. Bruselas, Jr. and Manuel M. Barrios, concurring.

*[Handwritten mark]*

### **The Facts**

In June 2000, Pacifico Pocdo, who was later substituted by his heirs upon his death, filed a complaint to quiet title over a 1,728-square meter property (disputed property) located in Camp 7, Baguio City, and covered by Tax Declaration 96-06008-106641. Pacifico claimed that the disputed property is part of Lot 43, TS-39, which originally belonged to Pacifico's father, Pocdo Pool. The disputed property is allegedly different from the one-hectare portion allotted to Polon Pocdo, the predecessor-in-interest of the defendants Arsenia Avila and Emelinda Chua, in a partition made by the heirs of Pocdo Pool. Pacifico alleged that the defendants unlawfully claimed the disputed property, which belonged to Pacifico.

The facts of the case were summarized by the Court of Appeals as follows:

As it appears, in 1894, Pocdo Pool, who died in 1942, began his occupation and claim on three lots that were eventually surveyed in his name as Lot 43, TS 39-SWO-36431, Lot 44, TS 39-SWO-36420 and Lot 45 TS 39-SWO-36429 with an area of 144,623 [sq.m.], 64,112 [sq.m.], and 9,427 square meters, respectively, and situated at Residence Section 4, Baguio City. These lots were the subject of a petition to reopen judicial proceedings filed by the Heirs of Pocdo Pool with the CFI of Baguio City in Civil Reservation Case No. 1, LRC Case 211. The registration of the lots in the names of the petitioners were [sic] granted in October 1964, but since the decision was not implemented within the 10 years [sic] prescribed period, the Heirs filed their ancestral land claims with the DENR. In August 1991, Certificates of Ancestral Lands Claims (CALs) were issued by the DENR for Lots 44 and 45, but Lot 43 was not approved due to Memorandum Order 98-15 issued by the DENR Secretary in September 199[8].

In the meantime, on September 14, 1960, Polon Pocdo, an heir of Pocdo Pool, ceded his rights over the three lots to Pacifico Pocdo in exchange for a one hectare lot to be taken from Lot 43. However, Pacifico entered into a contract with Florencio Pax and Braulio Yaranon on November 21, 1968 revoking the agreement with Polon. In the contract, the 4,875 square meters where Polon's house was located became part of the 1-hectare given to Pax and Yaranon in exchange for their services in the titling of Pacifico's lands.

Polon filed a complaint in August 1980 [with] the Office of the Barangay Captain at Camp 7, Baguio City, which was settled by an amicable settlement dated September 3, 1980 between Pacifico and Polon. They agreed that Polon would again retain the 4,875 square meters and Pacifico would give the 5,125 square meter area, the remaining portion of the 1-hectare share of Polon, to be taken from Lot 43 after

a segregation.

On April 18, 1981, Polon entered into a Catulagan with Arsenia Avila authorizing the latter to undertake the segregation of his one-hectare land from Lot 43 in accord with the amicable settlement of September 3, 1980. In exchange, Polon would award to her 2,000 square meters from the 1-hectare lot. After spending time, money and effort in the execution of the survey, Avila gave the survey results to Polon prompting Polon to execute a Waiver of Rights dated January 21, 1987. Accordingly, the subdivided lots were declared for tax purposes and the corresponding tax declaration issued to Polon and Arsenia, with 8,010 square meters going to Polon and 1,993 square meters to Avila.

On March 10, 2000, finding the amicable settlement, the Catulagan and Waiver of Rights in order, the CENRO of Baguio City issued in favor of Avila a Certificate of Exclusion of 993 square meters from the Ancestral Land Claim of the Heirs of Pocdo Pool over Lot 43.

On April 27, 2000, however, the Heirs of Polon Pocdo and his wife Konon filed an affidavit of cancellation with OIC-CENRO Teodoro Suaking and on that basis, Suaking cancelled the Certificate of Exclusion. On May 8, 2000, Avila complained to the Regional Executive Director or RED the unlawful cancellation of her Certificate of Exclusion, and on June 1, 2000, the RED issued a memorandum setting aside the revocation and restoring the Certificate of Exclusion. On August 13, 2001, Avila filed an administrative complaint against Suaking, and on July 16, 2002, the RED dismissed the letter-complaint of Avila and referred the administrative complaint to the DENR Central Office.

Acting on the motion for reconsideration by Avila [against oppositors Pacifico Pocdo, et al.], the RED in an Order on October 28, 2002 set aside the July 16, 2002 order. The Affidavit of Cancellation dated April 27, 2002 filed by the heirs of Polon Pocdo was dismissed for lack of jurisdiction and the validity of the Amicable Settlement, Catulagan and Deed of Waiver of Rights were recognized. The letter dated April 28, 2000 and certification issued on May 31, 2000 by Suaking were ordered cancelled. Accordingly, the RED held that the TSA applications of Arsenia Avila and others under TSA Application 15313, 15314, 15409 and 15410 should be given due course subject to compliance with existing laws and regulations.

The DENR Secretary affirmed his Order in [his] Decision of May 14, 2004 in DENR Case 5599, with the modification that the TSAs fo[r] the appellee Avila could now be made the basis of disposition through public bidding and the appellant may participate in the bidding if qualified.

Pacifico Pocdo, as the appellant, went on appeal to the Office of the President which resulted in an affirmance of DENR Secretary's decision on April 19, 2005 in OP Case 04-H-360.

As mentioned, having exhausted administrative remedies, the Heirs of Pacifico Pocdo challenged the OP resolution before the Court of Appeals, but this petition was dismissed for having been filed late. The Supreme Court dismissed the Heirs' appeal from this decision.

The instant case, Civil Case 4710-R, before the Regional Trial Court of Baguio City, Branch 61 was filed by Pacifico Pocdo against Arsenia Avila and Emelinda Chua in June 2000, just after the RED set aside Suaking's revocation on April 28, 2000 and ordered the restoration of Avila's Certificate of Exclusion. Since then, the judicial proceedings have run parallel to the administrative case.<sup>3</sup>

In a Resolution<sup>4</sup> dated 14 January 2008, the Regional Trial Court dismissed the case for lack of jurisdiction. The trial court held that the DENR had already declared the disputed property as public land, which the State, through the DENR, has the sole power to dispose. Thus, the claim of petitioners to quiet title is not proper since they do not have title over the disputed property. The trial court agreed with the DENR Secretary's ruling that petitioner may participate in the public bidding of the disputed property if qualified under applicable rules.

Petitioners appealed to the Court of Appeals, asserting that the case is not limited to quieting of title since there are other issues not affected by the DENR ruling, particularly the validity of the Waiver of Rights and the Catulagan. Petitioners maintained that the DENR's ruling that the disputed property is public land did not preclude the court from taking cognizance of the issues on who is entitled possession to the disputed property and whether the questioned documents are valid and enforceable against Pacifico and his heirs.

### **The Ruling of the Court of Appeals**

The Court of Appeals ruled that petitioners, in raising the issue of quieting of title, failed to allege any legal or equitable title to quiet. Under Article 477 of the Civil Code, in an action to quiet title, the plaintiff must have legal or equitable title to, or interest in the real property which is the subject matter of the action. Instead of an action to quiet title or *accion reivindicatoria*, the Court of Appeals stated that petitioners should have filed an *accion publiciana* based merely on the recovery of possession *de jure*.

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<sup>3</sup>Id. at 31-33.

<sup>4</sup>Id. at 91-96.

On the validity of the Catulagan and the Waiver of Rights, the Court of Appeals held that petitioners have no right to question these since they were not parties to said documents had not participated in any manner in their execution. The Court of Appeals ruled that only the contracting parties are bound by the stipulations of the said documents. Those not parties to the said documents, and for whose benefit they were not expressly made, cannot maintain an action based on the said documents.

Thus, the Court of Appeals affirmed the trial court's resolution, subject to the right of petitioners to file the appropriate action.

### **The Issues**

Petitioners raise the following issues:

THE COURT OF APPEALS ERRED IN RULING THAT THE PETITIONERS SHOULD JUST FILE THE NECESSARY ACTION FOR RECOVERY OF POSSESSION BECAUSE SAID COURT HAS FAILED TO TAKE INTO CONSIDERATION THAT RECOVERY OF POSSESSION IS PRECISELY ONE OF THE CAUSES OF ACTION IN THE PRESENT CASE.

THE COURT OF APPEALS ERRED IN RULING THAT THE RTC HAD NO JURISDICTION SINCE IT IS THE COURTS, NOT THE DENR, THAT HAS JURISDICTION OVER ACTIONS INVOLVING POSSESSION OF LANDS, EVEN ASSUMING WITHOUT ADMITTING, THAT THE LAND IS A PUBLIC LAND.

THE COURT OF APPEALS ERRED IN UPHOLDING THE DISMISSAL OF THE CASE BECAUSE THERE ARE OTHER CAUSES OF ACTION OVER WHICH THE RTC HAS JURISDICTION, *i.e.* RECOVERY OF POSSESSION, DECLARATION OF NULLITY OF DOCUMENTS.

THE COURT OF APPEALS ERRED IN FINDING THAT THE PETITIONERS HAVE NO TITLE TO THE PROPERTY THAT WOULD SUPPORT AN ACTION FOR QUIETING OF TITLE WHEN TRIAL HAD NOT YET COMMENCED. NONETHELESS, THE RECORD IS REplete OF PROOF THAT THE PETITIONERS HAVE RIGHTS/TITLE OVER THE SUBJECT PROPERTY.<sup>5</sup>

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<sup>5</sup>Id. at 13-14.

### **The Ruling of the Court**

We find the petition without merit.

In the administrative case involving the disputed property, which forms part of Lot 43, the DENR ruled that Lot 43 is public land located within the Baguio Townsite Reservation. In his Decision dated 14 May 2004 in DENR Case No. 5599, the DENR Secretary stated:

Lot 43 is public land and part of the Baguio Townsite Reservation. This has already been settled by the decision of the Court of First Instance of Benguet and Mountain Province dated 13 November 1922 in Civil Reservation Case No. 1. The fact that the heirs of Pocdo Pool were able to reopen Civil Reservation Case No. 1, LRC Case No. 211 and secure a decision in their favor for registration of Lot 43 is of no moment. As held in *Republic v. Pio R. Marcos* (52 SCRA 238), the Court of First Instance of Baguio and Benguet had no jurisdiction to order the registration of lands already declared public in Civil Reservation Case No. 1. Lot 43 being part of the Baguio Townsite Reservation, disposition thereof is under Townsite Sales Application (“TSA”). Precisely on this bone [sic] that Lot 43 was not awarded a Certificate of Land Ancestral Claim [sic] under DENR Circular No. 03, series of 1990, because it is within the Baguio Townsite Reservation.<sup>6</sup>

The DENR Decision was affirmed by the Office of the President which held that lands within the Baguio Townsite Reservation belong to the public domain and are no longer registrable under the Land Registration Act.<sup>7</sup> The Office of the President ordered the disposition of the disputed property in accordance with the applicable rules of procedure for the disposition of alienable public lands within the Baguio Townsite Reservation, particularly Chapter X of Commonwealth Act No. 141 on Townsite Reservations and other applicable rules.

Having established that the disputed property is public land, the trial court was therefore correct in dismissing the complaint to quiet title for lack of jurisdiction. The trial court had no jurisdiction to determine who among the parties have better right over the disputed property which is admittedly still part of the public domain. As held in *Dajunos v. Tandayag*:<sup>8</sup>

x x x The Tarucs’ action was for “quieting of title” and necessitated determination of the respective rights of the litigants, both claimants to a free patent title, over a piece of property, admittedly public land. The law,

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<sup>6</sup>Id. at 76.

<sup>7</sup>Citing *Republic v. Sangalang*, 243 Phil. 46 (1988) and *Heirs of Gumangan v. Court of Appeals*, 254 Phil. 569 (1989).

<sup>8</sup>Nos. L-32651-52, 31 August 1971, 40 SCRA 449.

as relied upon by jurisprudence, lodges “the power of executive control, administration, disposition and alienation of public lands with the Director of Lands subject, of course, to the control of the Secretary of Agriculture and Natural Resources.”

In sum, the decision rendered in civil case 1218 on October 28, 1968 is a patent nullity. The court below did not have power to determine who (the Fimalos or the Tarucs) were entitled to an award of free patent title over that piece of property that yet belonged to the public domain. Neither did it have power to adjudge the Tarucs as entitled to the “true equitable ownership” thereof, the latter’s effect being the same: the exclusion of the Fimalos in favor of the Tarucs.<sup>9</sup>

In an action for quieting of title, the complainant is seeking for “an adjudication that a claim of title or interest in property adverse to the claimant is invalid, to free him from the danger of hostile claim, and to remove a cloud upon or quiet title to land where stale or unenforceable claims or demands exist.”<sup>10</sup> Under Articles 476<sup>11</sup> and 477<sup>12</sup> of the Civil Code, the two indispensable requisites in an action to quiet title are: (1) that the plaintiff has a legal or equitable title to or interest in the real property subject of the action; and (2) that there is a cloud on his title by reason of any instrument, record, deed, claim, encumbrance or proceeding, which must be shown to be in fact invalid or inoperative despite its *prima facie* appearance of validity.<sup>13</sup>

In this case, petitioners, claiming to be owners of the disputed property, allege that respondents are unlawfully claiming the disputed property by using void documents, namely the “Catulagan” and the Deed of Waiver of Rights. However, the records reveal that petitioners do not have legal or equitable title over the disputed property, which forms part of Lot 43, a public land within the Baguio Townsite Reservation. It is clear from the facts of the case that petitioners’ predecessors-in-interest, the heirs of Pocdo Pool, were not even granted a Certificate of Ancestral Land Claim over Lot 43, which remains public land. Thus, the trial court had no other recourse but to dismiss the case.

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<sup>9</sup>Id. at 454-455.

<sup>10</sup>A. Baviera, CIVIL LAW REVIEW 103 (2008).

<sup>11</sup>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.

<sup>12</sup>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.

<sup>13</sup>*Mananquil v. Moico*, G.R. No. 180076, 21 November 2012, 686 SCRA 123; *Chung, Jr. v. Mondragon*, G.R. No. 179754, 21 November 2012, 686 SCRA 112; *National Spiritual Assembly of the Baha’is of the Philippines v. Pascual*, G.R. No. 169272, 11 July 2012, 676 SCRA 96.

There is no more need to discuss the other issues raised since these are intrinsically linked to petitioners' action to quiet title.

**WHEREFORE**, we **DENY** the petition. We **AFFIRM** the 12 October 2011 Decision of the Court of Appeals in CA-G.R. CV No. 91039.

**SO ORDERED.**

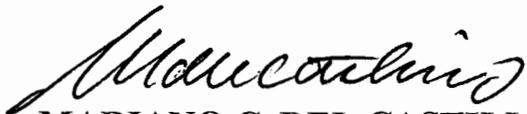


**ANTONIO T. CARPIO**  
Associate Justice

**WE CONCUR:**



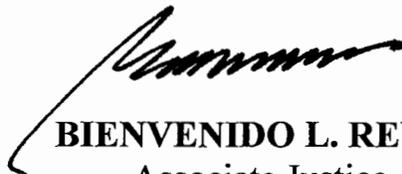
**ARTURO D. BRION**  
Associate Justice



**MARIANO C. DEL CASTILLO**  
Associate Justice



**JOSE PORTUGAL PEREZ**  
Associate Justice



**BIENVENIDO L. REYES**  
Associate Justice

### ATTESTATION

I attest that the conclusions in the above Resolution 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

### CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Resolution 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