



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated November 3, 2020 which reads as follows:

“G.R. No. 237517 (Neil B. Sumugat & Nenita S. Radones v. Julie Anne Pascual Torres). – This Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court assails the Decision² dated August 31, 2017 of the Court of Appeals (CA) in CA-G.R. SP No. 145520, which granted respondent Julie Anne Pascual Torres’ (Torres) Petition for *Certiorari* and the Resolution³ dated February 15, 2018 which denied petitioners’ Motion for Reconsideration.

Facts of the Case

This case originated from an Amended Petition⁴ for nullification of Transfer Certificate of Title Nos. 58880, 58881, 175796, and 175797 filed by Neil B. Sumugat and Nenita S. Radones (collectively, petitioners) before the Regional Trial Court (RTC) of Parañaque City, Branch 257 against respondent Julie Ann Pascual Torres, including Anita Pascual and Estela Lombos, the Register of Deeds of Parañaque City and the Land Registration Authority.

Petitioners alleged that their family has been in actual, peaceful, and continuous possession of a certain parcel of land known as Lot 1303, Cad-299, with an area of 2,944 square meters situated at Barangay Don Galo, Parañaque, Manila since 1972. In May 2008, petitioner Neil B. Sumugat filed with the Department of Environment and Natural Resources (DENR) a letter-request for survey authority of

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¹ *Rollo*, pp. 3-23.

² Penned by Associate Justice Romeo F. Barza, with the concurrence of Associate Justices Myra V. Garcia-Fernandez and Renato C. Francisco, concurring; *id.* at 111-121.

³ *Id.* at 133-135.

⁴ *Id.* at 59-70.

said land. On September 25, 2008, the DENR-NCR issued a Certification stating that the land is within the alienable or disposable land, under Project 25 of Parañaque, Metro Manila, per LC Map 2623, approved on January 3, 1968.⁵ Thereafter, on November 26, 2008, petitioner Neil Sumugat filed a Miscellaneous Sales Application (MSA) pertaining to 710-square meter out of the 2,944-square meter of the subject land.⁶ Torres filed a protest claiming that Lot 1303, Cad-299 is actually Lot 22 under PSU-53000 and is already covered by Transfer Certificate of Title (TCT) No. 58880. The other lot, designated as Lot 23, also included in PSU-53000, is covered by TCT No. 58881.⁷

Thus, on September 20, 2012, petitioners filed an Amended Petition⁸ to annul TCT Nos. 58880 and 58881 (which are now cancelled by TCT Nos. 175796 and 175797) claiming fraud in the issuance of Original Certificate of Title (OCT) No. 4446, the source of these titles. They averred that OCT No. 4446 was allegedly issued in the name of Teodorico Santos and Maura Santos on June 8, 1931 by the Court of First Instance (CFI) of Rizal, pursuant to Decree No. 438798, which included Lot Nos. 22 and 23. Petitioners, however, claimed that the CFI did not issue Decree No. 438795, instead it issued Decree No. 519716, and Lots No. 22 and 23 were not actually included therein.⁹ Petitioners further argued that when OCT No. 4446 was issued on June 8, 1931, the several parcels of land embraced therein were property of public dominion. It was only on January 3, 1968 that said lands were converted into a patrimonial property of the State. Hence, OCT No. 4446 is null and void since the land covered by the same was not yet alienable and disposable land of public domain when the title was issued.¹⁰

Respondent Torres moved to dismiss the petition on the following grounds: the petition does not sufficiently allege a cause of action for annulment of title;¹¹ petitioners have no personality to file the present case;¹² they failed to implead all indispensable parties;¹³ and OCT No. 4446 (and its derivative titles) have attained the status of indefeasibility.¹⁴

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⁵ Id. at 61.
⁶ Id. at 195.
⁷ Id. at 63-64.
⁸ Supra note 4.
⁹ *Rollo*, pp. 63-67.
¹⁰ Id. at 67-69.
¹¹ Id. at 72-75.
¹² Id. at 75-78.
¹³ Id. at 78-79.
¹⁴ Id. at 79-81.

Records show that respondent Torres, Pascual and Lombos, the registered co-owners of TCT Nos. 58880 and 58881 earlier filed an unlawful detainer case against herein petitioners alleging that the latter failed to pay the rentals due them. It appeared that respondent Torres and her family allowed petitioners and her family (Sumugat family) to stay and lease the subject property paying monthly rentals to them. In 2005, however, the Sumugat family began defaulting on their payments. In the Decision¹⁵ dated July 10, 2008, the Metropolitan Trial Court (MeTC) of Parañaque City, Branch 78, granted the complaint and ordered Spouses Nestor and Nenet Sumugat (petitioners' parents) and all persons claiming rights under them to vacate the subject leased property and to pay the accrued rentals, among others.¹⁶ The decision became final and executory. A Writ of Execution was issued on November 18, 2008.¹⁷

Ruling of the Regional Trial Court

On November 27, 2013, the RTC of Parañaque City, Branch 257 issued its Order¹⁸ denying the motion to dismiss. The RTC found that the complaint has a cause of action subject to proof or evidence to support thereof; petitioners have personality to file this case based on their claims that they are occupants and that they have a sales patent application; the parties that were not impleaded are not particularly stated at the moment; and the integrity and validity of the title being questioned is a matter that the court will consider in this case.¹⁹

Torres moved for reconsideration but it was denied in the Order²⁰ dated February 17, 2016.

A Petition for *Certiorari*²¹ under Rule 65 was thereafter filed by respondent Torres to the CA.

Ruling of the Court of Appeals

On August 31, 2017, the CA issued a Decision²² granting the petition. It nullified the questioned Orders of the RTC and dismissed the amended petition for nullification of TCTs. The CA ruled that the Amended Petition failed to state a cause of action. Petitioners did not

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¹⁵ Penned by Presiding Judge Ramsey Domingo G. Pichay; id. at 49-55.

¹⁶ Id. at 55.

¹⁷ Id. at 113.

¹⁸ Penned by Judge Rolando G. How; id. at 56.

¹⁹ Id.

²⁰ Id. at 57-58.

²¹ Id. at 25-44.

²² *Supra* note 2.

allege that they previously held title to the property in question. They merely alleged that they are in possession and occupation of a certain parcel of land in the concept of an owner since 1942 until the present. The MSA application of Neil Sumugat filed with the DENR will not bestow upon him the personality to file the petition for annulment of title, not being the real party in interest. It is only the government that may institute an action to recover ownership of a public land. Even assuming that petitioners are the proper parties to bring the action for annulment of title, the CA held that the case should still be dismissed for being time-barred. After the expiration of one year from the issuance of the decree of registration, the certificate of title becomes indefeasible. OCT No. 4446 was issued way back on June 8, 1931; the amended petition was filed on September 20, 2012.²³

Petitioners filed a Motion for Reconsideration²⁴ but the same was denied in the Resolution²⁵ dated February 15, 2018.

Hence, this Petition for Review on *Certiorari* (Rule 45) filed by petitioners.

Issue

Whether the Amended Petition for nullification of the subject TCTs filed by petitioners was properly dismissed for failure to state a cause of action.

Petitioners' Arguments

Petitioners argue that the CA failed to establish the alleged acts constitutive of grave abuse of discretion on the part of the RTC in issuing the assailed Orders.²⁶ Petitioners claim that OCT No. 4446 is a spurious certificate of title; it cannot pass on any legal right to respondent Torres. Decree No. 438798, upon which OCT No. 4446 was issued, has no record in any court or any government agency for that matter. OCT No. 4446 was issued on June 8, 1931 when the parcels of land embraced therein were not yet alienable and disposable lands of the State; hence, OCT No. 4446 is null and void.²⁷ Further, petitioners aver that the principle of indefeasibility of title does not apply in a case that is attended by fraud, such as the case of respondent Torres.²⁸

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²³ *Rollo*, pp. 117-120.

²⁴ *Id.* at 122-129.

²⁵ *Supra* note 3.

²⁶ *Id.* at 9-11.

²⁷ *Id.* at 14-16.

²⁸ *Id.* at 17-19.

Respondent's Comment

Torres claims that the instant petition is already moot and academic in view of the dismissal by the RTC of Parañaque of the instant amended petition for annulment of TCTs. In compliance with the Decision dated August 31, 2017 of the CA, even before the finality thereof, the RTC of Parañaque dismissed the Amended Petition for annulment of TCTs in its Order dated October 4, 2017. Petitioners moved for reconsideration but it was denied in the Order dated January 15, 2018 of the RTC.²⁹ Thereafter, petitioners filed a Notice of Appeal³⁰ with the CA. In other words, "there is no longer any proceedings before the Parañaque RTC which this Court may validly reinstate as prayed for by petitioners."³¹ Respondent Torres avers that petitioners have already raised the RTC's dismissal of the petition for annulment of TCTs to the CA by way of notice of appeal; hence, they are precluded from raising the same before this Court otherwise petitioners would commit forum-shopping.³²

At any rate, Torres asserts that the CA clearly established the presence of grave abuse of discretion on the part of the Parañaque RTC. Petitioners are not the real parties-in-interest, for admittedly, they are not the owners of the property. Petitioners prayed that judgment be rendered declaring the several parcels of land covered by OCT No. 4446 as properties of public dominion. Petitioners cannot, and do not even claim, that they act for and on behalf of the State. Also, they failed to implead all indispensable parties, *i.e.*, all the present holders of land titles derived from OCT No. 4446 which covers not only Lot Nos. 22 and 23. Petitioners failed to pay the required filing fees, and the petition for annulment of TCTs is already time-barred.³³

Petitioners' Reply

Petitioners contend that the Notice of Appeal filed with the CA did not render moot and academic the petition (Rule 45) filed by petitioners before this Court. They argue that the CA extended its power of review by considering the merits of the RTC case for annulment of TCTs and concluding that OCT No. 4446 has attained the status of indefeasibility, and that petitioner Sumugat has no personality to institute the nullity case.³⁴

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²⁹ Id. at 148.
³⁰ Id. at 171-173.
³¹ Id. at 148.
³² Id.
³³ Id. at 150-160.
³⁴ Id. at 206.

Ruling of the Court

The petition is denied. The Court finds no reversible error on the part of the CA in rendering the Decision³⁵ dated August 31, 2017 and the Resolution³⁶ dated February 15, 2018 which dismissed the amended petition for nullification of TCTs filed by petitioners.

Stripped of non-essentials, the Amended Petition should be dismissed considering that herein petitioners have no personality to file this case for annulment of titles. They are not the proper parties to institute this case. Hence, the Amended Petition was properly dismissed by the CA for failure to state a cause of action.³⁷

A reading of the Amended Petition shows that what petitioners pray or ask from the court are: (1) to declare the several parcels of land covered by OCT No. 4446 as properties of public dominion; and (2) to declare TCT Nos. 58880, 58881, 175796, and 175797 as null and void.³⁸

Clearly, what petitioners seek is the reversion of the land covered by OCT No. 4446 as part of the public land. An action for reversion requires that the State be the one to initiate the action in order for it to prosper. The objective of an action for reversion of public land is the cancellation of the certificate of title and the resulting reversion of the land covered by the title to the State.³⁹ An action for reversion must first be filed by the Office of the Solicitor General.⁴⁰

Even granting that fraud was committed in obtaining OCT No. 4446, it is the State, in a reversion case, which is the proper party to file the necessary action.⁴¹

Be it noted that petitioners only alleged that they have been in possession and occupation of the subject property since 1972 until the present. In an action for declaration of nullity of certificate of title, as

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³⁵ Supra note 2.

³⁶ Supra note 3.

³⁷ Supra note 2 at 117.

³⁸ *Rollo*, p. 69.

³⁹ *Cawis v. Hon. Cerilles*, 632 Phil. 367, 375 (2010).

⁴⁰ Section 101. of the Public Land Act.

Section 101. All actions for the reversion to the Government of lands of the public domain or improvements thereon shall be instituted by the Solicitor General or the officer acting in his stead, in the proper courts, in the name of the Republic of the Philippines.

⁴¹ Supra note 40 at 376.

in this case, petitioners should have alleged ownership of the contested land *prior* to the issuance of the OCT in the name of Maura Santos, the grandmother of respondent Torres.⁴² OCT No. 4446 was issued on June 8, 1931.⁴³ On the other hand, petitioners claim that they have been in possession of the property starting only in 1972, 41 years after the OCT had been issued.⁴⁴

Equally telling is the fact that petitioners are actually lessees of respondent Torres' family. The fact of the existence of a contract of lease was established and even admitted by herein petitioners in the unlawful detainer case which was decided in favor of respondent Torres. The decision therein had become final and executory in 2008.⁴⁵

In the event that OCT No. 4446, the mother title of TCT Nos. 58880, 58881, 175796 and 175797, be declared null and void, the subject land would not be automatically awarded to petitioners nor is there an assurance that they would be entitled to own the same.

While petitioner Neil Sumugat has a pending Miscellaneous Sales Application (MSA), a sales patent application could only create, at most, an inchoate right.⁴⁶ Be it noted that petitioner Neil Sumugat only filed his MSA application on November 26, 2008, after the finality of the unlawful detainer case.⁴⁷ Hence, this Court can only suspect that it was a belated attempt on the part of petitioners to retain possession of the subject land. Torres lost no time in filing a protest claiming that the subject of the MSA is already titled in her name and the other co-owners.

OCT No. 4446 was issued on June 8, 1931.⁴⁸ Derivative titles had been issued since then the latest of which are TCT Nos. 175797 and 175796 issued on April 3, 2008.⁴⁹ Considering that the State has not instituted an action for reversion, assuming petitioners' allegation of fraud is true, this Court has to uphold the regularity of the OCT based on a Decree issued by a court.

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⁴² *Katon v. Palanca, Jr.*, 481 Phil. 169, 184 (2004).

⁴³ *Rollo*, p. 114.

⁴⁴ *Id.* at 5.

⁴⁵ *Id.* at 112-113.

⁴⁶ *Supra* note 40 at 377.

⁴⁷ *Rollo*, pp. 112-113.

⁴⁸ *Id.* at 67.

⁴⁹ *Id.* at 68.

Contrary to the argument of Torres, this petition is not yet moot and academic. When the RTC dismissed the Amended Petition⁵⁰ for annulment of TCTs in its Order⁵¹ dated October 4, 2017 in compliance with the CA Decision⁵² dated August 31, 2017, the said CA Decision was not yet final and executory. Petitioners' Motion for Reconsideration⁵³ of the CA Decision was denied in the Resolution⁵⁴ dated February 15, 2018. The CA Decision dated August 31, 2017 and the Resolution dated February 15, 2018 are now the subject of the present petition before Us. Petitioners had no other remedy but to appeal the precipitate dismissal of the RTC of the Amended Petition even before the finality of the CA Decision.

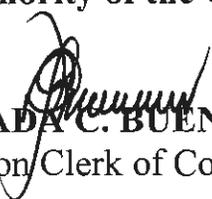
With the foregoing, the Court finds that the CA did not commit reversible error in declaring that the RTC Parañaque acted with grave abuse of discretion in not dismissing the amended petition for nullification of TCTs. The CA properly dismissed the Amended Petition for failure to state a cause of action.⁵⁵

WHEREFORE, premises considered, the instant petition is **DENIED**. The Decision dated August 31, 2017 and the Resolution dated February 15, 2018 of the Court of Appeals in CA-G.R. SP No. 145520 are hereby **AFFIRMED**.

Accordingly, with the finding that the Amended Petition for nullification of Transfer Certificate of Titles failed to state a cause of action, the pending appeal before the Court of Appeals is considered **MOOT** and **ACADEMIC**.

SO ORDERED."

By authority of the Court:


LIBRADA C. BUENA
Division Clerk of Court

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court
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⁵⁰ Supra note 4.
⁵¹ *Rollo*, p. 170.
⁵² Supra note 2.
⁵³ *Rollo*, pp. 122-129.
⁵⁴ Supra note 3.
⁵⁵ Supra note 2 at 117.



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