



Republic of the Philippines
Supreme Court
Baguio City

SECOND DIVISION

**SPOUSES JUVY MARAÑO and
 MARIA LUISA G. MARAÑO,**

Petitioners,

G.R. No. 196592

Present:

CARPIO, *J.*, Chairperson,
 BRION,
 DEL CASTILLO,
 MENDOZA, and
 LEONEN, *JJ.*

- versus -

Promulgated:

PRYCE GASES, INCORPORATED,

Respondent.

06 APR 2015

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DECISION

BRION, J.:

This is a petition for review on *certiorari*¹ assailing the December 14, 2010 decision² of the Court of Appeals (*CA*) in CA-G.R. CEB-SP No. 02025, and its March 18, 2011 resolution³ in the same case that denied the petitioners' motion for reconsideration.

Facts of the Case

On August 1, 1998, spouses Juvy and Maria Luisa Maraño (*petitioners*) filed a free patent application for a 9,074-square meter parcel of land in Damulaan, Albuera, Leyte, denominated as Lot No. 4299.⁴ The free patent application was subsequently granted, and, on December 17, 1998,

¹ Under Rule 45 of the Rules of Court; *Rollo*, pp. 4-15.

² *Rollo*, pp. 65-73; Penned by CA Associate Justice Socorro B. Inting, with CA Associate Justices Portia A. Hormachuelos and Edwin D. Sorongon concurring.

³ *Id.* at 94-95.

⁴ *Id.* at 66-67.

Original Certificate of Title No. P-43553 was issued to the petitioners over the subject lot.⁵

On December 29, 1998, the petitioners filed an ejectment complaint⁶ against Pryce Gases, Incorporated (*respondent*) alleging that the latter illegally entered the subject lot and constructed a building thereon sometime in March 1998.⁷ The Municipal Trial Court (*MTC*) of Albuera, Leyte granted the petitioners' complaint,⁸ but the Regional Trial Court (*RTC*)⁹ reversed the MTC decision on appeal. On further appeal, the CA, in a decision¹⁰ dated January 11, 2002 remanded the case to the MTC for trial as a reivindicatory action under the ordinary rules of civil procedure. The case was docketed as Civil Case No. 158 with the MTC.

In the interim, the respondent, on April 17, 1999, filed a protest on the free patent application filed by the petitioners in August 1998.¹¹ On December 29, 2000, the Department of Environment and Natural Resources (*DENR*) rendered a decision recommending the filing of reversion proceedings against the petitioners, which decision became final and executory. However, no reversion proceedings were instituted against the petitioners.¹²

On October 28, 2002, the petitioners filed an action¹³ to quiet title against the respondent with the RTC, 8th Judicial Region, Branch 14, Baybay City, Leyte.¹⁴ A month later, the respondent filed a complaint¹⁵ for reconveyance against the petitioners before the same RTC. The petitioners moved to dismiss the respondent's complaint, but the RTC denied their motion.¹⁶

The respondent later moved to amend its complaint from reconveyance to the cancellation of the petitioners' certificate of title. The petitioners again moved to dismiss the respondent's amended complaint on the ground of *litis pendentia* in view of the then pending reivindicatory action with the MTC.¹⁷ The RTC, in a resolution¹⁸ dated March 6, 2006, dismissed the petitioners' motion. The petitioners moved for reconsideration but their motion was likewise denied by the RTC.¹⁹ The petitioners questioned the RTC's March 6, 2006 resolution in a petition for

⁵ Id.

⁶ Id. at 16-18.

⁷ Id.

⁸ In a decision dated June 4, 1999; *rollo*, p. 23.

⁹ In a decision dated August 30, 1999; *id.* at 19-26.

¹⁰ *Rollo*, pp. 27-32.

¹¹ Id. at 67

¹² Id.

¹³ Docketed as Civil Case No. B-2002-10-31.

¹⁴ *Supra* note 11.

¹⁵ Docketed as Civil Case No. B-2002-11-32.

¹⁶ *Supra* note 11.

¹⁷ Id.

¹⁸ *Rollo*, pp. 47-48.

¹⁹ In an order dated June 8, 2006; *rollo*, p. 53.

certiorari with the CA. The case was docketed as CA-G.R. CEB-SP No. 02025.

In the reivindicatory action at the MTC, the latter court rendered a decision²⁰ on June 18, 2010 ruling in the respondent's favour; it declared the respondent as the owner of the subject lot and, thus, entitled to the possession thereof. The petitioners appealed the MTC's decision to the RTC.²¹ In the same year, the CA, acting on the petition for *certiorari* filed by the petitioners, rendered a decision²² dated December 14, 2010 affirming the RTC's resolution that dismissed the petitioners' motion to dismiss. The CA held that no *litis pendentia* exists between the reivindicatory action (then pending before the MTC) and the amended complaint for cancellation of certificate of title filed by the respondent with the RTC. The petitioners moved to reconsider the CA's decision but their motion was denied,²³ hence, the filing of the present petition for review on *certiorari* with this Court.

The Petition

The petitioners mainly argue that the respondent's complaint for cancellation of title should be dismissed because the question of validity of the certificate of title issued in their names over the subject lot is already being litigated in the reivindicatory action case that is pending appeal before the RTC.

OUR RULING

We find merit in the present petition and resolve to reverse and set aside the assailed decision of the CA.

In this jurisdiction, there are three kinds of actions to recover possession of real property, namely: (1) actions for forcible entry or unlawful detainer, also denominated as *accion interdical*, which are summary in nature and seek to recover only physical possession (possession *de facto*) of the property, (2) an *accion publiciana*, which is a plenary action to recover the right to possess the property, without claim of title, and (3) an *accion reivindicatoria* (or *accion de reivindicacion*) or a reivindicatory action, which is a plenary action to recover **not only possession of, but also ownership of the real property.**²⁴

Since a reivindicatory action includes a claim of title or ownership, the court must necessarily inquire into the circumstances surrounding the plaintiff's acquisition of his or her title to the real property sought to be

²⁰ *Rollo*, pp. 80-91.

²¹ *Id.* at 13.

²² *Supra* note 2.

²³ *Supra* note 3.

²⁴ See *Spouses Bonifacio R. Valdez, Jr. and Venida M. Valdez v. Spouses Gabriel and Francisca Fabella*, 523 Phil. 39 (2006).

recovered.²⁵ The petitioners point out that the MTC in the subject reivindicatory case already conducted a full-blown trial on the issue of validity of their claim of ownership and had, in fact, ruled that their certificate of title is inoperative and has no binding effect. They argue that for the RTC to conduct another full-blown trial in the cancellation of title case on the same issue would, in effect, nullify the MTC's decision in the reivindicatory case.²⁶

Instead of ordering the dismissal of the respondent's complaint for cancellation of certificate of title, **we find that the consolidation of the reivindicatory action and the cancellation of certificate of title case to be the appropriate remedy in the present situation.** Consolidation is proper when two or more actions pending, not necessarily, before the same court involve a common question of law or fact.²⁷ In such cases, the court may: order a joint hearing or trial of any or all the matters in issue in the actions, order all the actions consolidated, and make such orders concerning the proceedings therein for the purpose of avoiding unnecessary costs and delay.²⁸

Considering that the **validity of the petitioners' certificate of title** is the crucial issue in both the reivindicatory action pending appeal before the RTC and the cancellation of certificate of title case filed by the respondent, these two cases should be consolidated in order to avoid the possibility of rendering conflicting decisions and for the orderly administration of justice.²⁹ And since the issue of validity of the petitioners' certificate of title has been subjected to a full-blown trial before the MTC and is now the subject of appeal before the RTC, allowing the cancellation of certificate of title case to proceed independently and separately would be needlessly circuitous and would necessarily delay the resolution of the present issue.³⁰

Also, we note that the respondent's complaint for cancellation of certificate of title cannot simply be dismissed. Well-settled is the rule that the issue of validity of a Torrens title, whether fraudulently issued or not, may be posed only in an action brought to impugn or annul it.³¹ Section 48 of Presidential Decree No. 1529³² clearly provides that a certificate of title can never be the subject of a collateral attack; it cannot be altered, modified, or cancelled except in a direct proceeding instituted in accordance with law. Thus, the present respondent has, in fact, resorted to proper procedure in filing a direct action to attack or impugn the petitioners' certificate of title.

²⁵ See *Spouses Sarmiento v. CA*, 507 Phil. 101 (2005).

²⁶ *Rollo*, pp. 12-13.

²⁷ See *Active Wood Products, Inc v. CA*, G.R. No. 86603, February 5, 1990, 181 SCRA 774.

²⁸ Section 1, Rule 31, Rules of Court.

²⁹ Also see *Syndicated Media Access Corp. v. CA*, G.R. No. 106982, March 11, 1993, 219 SCRA 794; *Philippine Savings Bank v. Mañalac*, 496 Phil. 671 (2005).

³⁰ See *Mendoza v. CA*, G.R. No. L-62089, March 9, 1988, 158 SCRA 508 cited in *Spouses Sarmiento v. CA*, *supra* note 25.

³¹ *Ladignon v. Court of Appeals*, 390 Phil. 1161 (2000).

³² Amending and Codifying the Laws Relative to Registration of Property and For Other Purposes, also known as the *Property Registration Decree*, Approved June 11, 1978.

But to allow the pendency of the reivindicatory action and the cancellation of certificate of title case in two different courts would not subserve the orderly administration of justice as the subject cases involve a common question of fact, *i.e.* the issue of validity of the petitioners' certificate of title. In this situation, consolidation is the proper procedure to prevent confusion, avoid multiplicity of suits, and save the parties, as well as the courts, time and from incurring unnecessary cost and expense.³³


WHEREFORE, premises considered, we hereby **REVERSE** and **SET ASIDE** the Decision dated December 14, 2010 and resolution dated March 18, 2011 of the Court of Appeals in CA-G.R. CEB-SP No. 02025.

In the interest of orderly dispensation of justice, we order that the action for the cancellation of the petitioners' certificate of title in Civil Case No. B-2002-11-32 be **CONSOLIDATED** with the reivindicatory action in Civil Case No. 158.

SO ORDERED.


ARTURO D. BRION
 Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
 Associate Justice
 Chairperson


MARIANO C. DEL CASTILLO
 Associate Justice

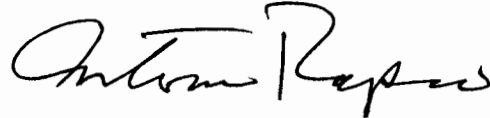

JOSE CATRAL MENDOZA
 Associate Justice


MARVIC M.V.F. LEONEN
 Associate Justice

³³ See *Vallacar Transit, Inc. and Mario Hambala v. Yap*, G.R. No. L-61308, December 29, 1983, 126 SCRA 500.

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.

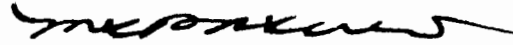
**ANTONIO T. CARPIO**

Associate Justice

Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, 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