

SECOND DIVISION

[G.R. No. 239979, February 17, 2020]

**MRS. CONSOLACION V. TIÑA, PETITIONER, VS. STA. CLARA
ESTATE, INC., RESPONDENT.**

DECISION

HERNANDO, J.:

Before us is a direct resort to this Court via a petition for review on *certiorari*^[1] of the March 30, 2017 Resolution^[2] of the Regional Trial Court (RTC) of Bacolod City, Branch 42, which dismissed Civil Case No. 00- 11133 as well as the May 11, 2018 Order^[3] denying petitioner Consolacion V. Tiña's Earnest Motion for Reconsideration.^[4]

Antecedent Facts

The instant controversy involves a 231-square-meter lot along Creek I, denominated as the Ogumod Creek, situated in Bacolod City. According to petitioner, she and her husband had been occupying said property for more than 55 years openly, publicly, adversely, and continuously in the concept of an owner. As proof of the length of their occupancy, petitioner presented the January 10, 1990 1st Indorsement^[5] of Engr. Jose F. Falsis, Jr. stating that since 1990, they have been in their area of occupancy for 45 years; and an October 23, 1997 Certification of Arturo V. Parreño of the Office of the Barangay Council, Barangay Mandalagan, Bacolod City. Petitioner had in fact filed a Miscellaneous Sales Application last July 22, 1986 over the subject area. Said application was not opposed by the Office of the City Engineer, the Department of Public Works and Highways^[6] and the Office of the City Mayor.^[7] On December 10, 1997, the Miscellaneous Sales Application was approved by the Department of Environment and Natural Resources (DENR).^[8]

On the other hand, respondent Sta. Clara Estate, Inc. alleged that the contested property is covered by Transfer Certificate of Title (TCT) No. T-28629^[9] of the Registry of Deeds of Bacolod City registered under its name. Respondent traced its title as far back as TCT No. T-28629 which was entered in the Registry of Deeds of Bacolod City on June 11, 1965. Said title was a transfer from TCT Nos. T-14900 to T-14902. Respondent also presented a letter^[10] from the City Assessor of Bacolod addressed to petitioner that the office could not change the appraisal of the property under Patent Application No. (CENRO V-8)2 because the "property is within or is a portion of the property of Sta. Clara Estate, Inc., identified as Creek 1, (LRC) Psd-39596 and covered by [TCT] No. T-28629 issued on June 11, 1965 and containing an area of 4,419 square meters."^[11] Respondent averred that petitioner is illegally occupying a portion of its property.

On March 3, 1999, respondent filed a Complaint^[12] for ejectment before the Municipal Trial Court in Cities (MTCC) of Bacolod City, Branch 7. Meanwhile, on April 28, 2000, petitioner filed a Complaint^[13] for cancellation of title with damages and other reliefs before the RTC of Bacolod City, docketed as Civil Case No. 00-11133, over the contested property. Petitioner asserted that Creek I, as claimed by respondent as being the absolute and registered owner thereof, is a property of public dominion, thus, could not be legally registered under its name. Respondent countered that it constructed Creek I, which used to be a marshland located within its property. Respondent elaborated that the man-made creek was intended as a drainage dam.^[14]

The ejectment case proceeded ahead of Civil Case No. 00-11133. On May 9, 2002, the MTCC rendered a Decision^[15] in favor of the respondent. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, judgment is rendered in favor of the plaintiff and against the defendants, Sps. Aurelio Tiña and Consolacion Tiña, who are hereby ordered, including all persons claiming under them, to wit:

1. To remove their house and any and all structures, or portion thereof, which they have constructed within the period of one (1) month from the service to them of a copy hereof and to vacate said premises known as Creek I, equivalent to 231 square meters, more or less, as shown in the Commissioner's Report of the subdivision plan (LRC) of Psd-39596 of the Bacolod City Cadastre, or the portion thereof, covered by Transfer Certificate of Title No. 28629 registered in the name of the plaintiff corporation, Sta. Clara Estate, Inc. and surrender possession thereof to plaintiff;
2. To pay plaintiff the sum of FIFTEEN THOUSAND PESOS (P15,000.00), Philippine Currency, for and as attorney's fees; and
3. To pay the costs of the suit.

With regard to defendants' counterclaim, the same is hereby dismissed for lack of proper basis.

Let copy hereof be immediately furnished by means of a personal service the Office of the Bacolod City Housing Authority for information and for whatever appropriate action that the Office may take under existing laws, taking into consideration that defendants are squatters.

SO ORDERED.^[16]

The MTCC found that respondent is the registered owner of Creek I having introduced the improvement into the property, which is the man made creek, when the said property was being developed into the Sta. Clara Subdivision. The MTCC

also affirmed the findings in the Commissioner's Report that the lot in question indeed belongs to respondent.

On July 23, 2003, the RTC of Bacolod City affirmed the Decision of the MTCC.^[17] The Court of Appeals upheld the judgment of the RTC. The appellate court ruled that the right to possess the disputed tract of land pertained to respondent as the registered owner and as the party who had established prior possession. The appellate court held that petitioner failed to substantiate her allegation of possession for 40 years. Finally, in a Resolution dated September 21, 2015, we affirmed the ruling of the Court of Appeals and upheld the ejectment of petitioner.^[18] A motion for reconsideration was filed by petitioner but it was denied by this Court with finality on April 18, 2016.^[19] A corresponding Entry of Judgment was issued in due course.

During the pendency of Civil Case No. 00-11133 and while petitioner was about to present her sur-rebuttable evidence, respondent filed a Manifestation with Motion to Dismiss^[20] alleging that the principal issue in the case, *i.e.*, whether Creek I is a man-made or a public creek, has been resolved in the ejectment case when the Supreme Court affirmed and declared that Creek I is man-made and belongs to respondent. Petitioner opposed^[21] the Motion and stated that the issue in the ejectment case is confined only to possession and there is substantial evidence that Creek I is a natural creek.

Ruling of the Regional Trial Court

The RTC of Bacolod City issued the first assailed March 30, 2017 Resolution dismissing the case in light of the pronouncement of this Court that Ogumod Creek or Creek I belongs to respondent. Petitioner filed a Motion for Reconsideration but it was denied by the trial court in the second assailed May 11, 2018 Order.^[22]

Petitioner files a direct appeal to this Court via a Petition for Review under Rule 45 of the Rules of Court. Petitioner contends that the RTC erred in prematurely terminating the proceedings and dismissing the Complaint for cancellation of title simply because of a ruling touching on ownership in a related ejectment case. Petitioner argues that the ruling is contrary to established law and jurisprudence that the determination of ownership in an ejectment proceeding is merely ancillary to resolve the issue of possession.

Respondent prays for the denial of the petition. In its Comment^[23] filed on January 23, 2019, respondent asserts that petitioner is not even claiming ownership over the lot and by insisting that Creek I belongs to the State, petitioner is not the proper party to prosecute the complaint for its reconveyance. Respondent also points out that the ruling with respect to the nature of the creek as man-made has already attained finality.

Issue

The issue of whether petitioner is the proper party to file the suit for cancellation of