

SECOND DIVISION

[G.R. No. 188658, January 11, 2017]

HEIRS OF TEODORA LOYOLA, REPRESENTED HEREIN BY ZOSIMO L. MENDOZA, SR., PETITIONERS, VS. COURT OF APPEALS AND ALICIA R. LOYOLA, RESPONDENTS.

D E C I S I O N

LEONEN, J.:

This resolves a Petition for Certiorari^[1] assailing the Court of Appeals' December 22, 2008 Decision^[2] and its May 20, 2009 Resolution^[3] in CA-G.R. CV No. 88655. The assailed decision affirmed the Decision^[4] of Branch 3 of the Regional Trial Court, City of Balanga, which dismissed petitioners Heirs of Teodora Loyola's Complaint for annulment of free patent and original certificate of title, reconveyance of ownership and possession, and damages.^[5] The assailed resolution denied the heirs' Motion for Reconsideration.^[6]

This case involves a 4,419-square-meter parcel of land located in Lingatin, Morong, Bataan, known as Lot No. 780, Cad. 262 of the Morong Cadastre.^[7] The land is formerly a public agricultural land planted with nipa and coconut.^[8]

On May 19, 2003, the Heirs of Teodora Loyola (Heirs),^[9] represented by Zosimo Mendoza, Sr. (Zosimo), filed a Complaint for annulment of free patent and original certificate of title, reconveyance of ownership and possession, and damages against respondent Alicia Loyola (Alicia).^[10] The Heirs claimed that the property belonged to the parents of their mother, Teodora Loyola (Teodora), who had been in possession of the property since time immemorial.^[11] Teodora inherited the property from her parents upon their demise. In turn, when Teodora died in 1939, the Heirs inherited it from her.^[12]

The Heirs insisted that they since maintained open, continuous, exclusive, and notorious possession until the present.^[13] However, Alicia was allegedly able to obtain Free Patent No. (III-14) 001627 and Original Certificate of Title No. 1782^[14] over the property through fraud and misrepresentation.^[15] Alicia was the wife of their deceased cousin Gabriel Loyola (Gabriel), who was given permission to use part of Teodora's property.^[16]

In her Answer,^[17] Alicia denied the allegations of fraud and illegality on the registration of the free patent and issuance of the original certificate of title.^[18] She countered that the Complaint was barred by laches and prescription as the free patent was registered as early as December 1985.^[19]

The case proceeded to trial.^[20]

The Heirs relied on testimonial evidence to prove their claim over the property. Zosimo testified that he and his siblings inherited the property from their mother.^[21] He admitted that their cousin Gabriel was given permission to use part of the property, but they never expected him or his wife Alicia to apply for a free patent and title over the entire property.^[22] Zosimo further explained that they filed the Complaint only in 2003 as after Gabriel died, they tried for several years to peacefully recover the property from Alicia, but to no avail.^[23] Zosimo and his sister Paulina were also unaware of the condition of the property as they had been residing in the United States of America.^[24]

Jose Perez, their neighbor, corroborated Zosimo's testimony that Teodora was known in town as the owner of the property.^[25] However, upon cross examination, Jose Perez admitted that Teodora had a brother, Jose Loyola, the father of Gabriel and father-in-law of Alicia.^[26] He also admitted that he did not know if Teodora and her brother co-owned the property.^[27]

The Heirs could only present a tax declaration issued in 1948 as documentary evidence to prove their claim over the property.^[28] Although they maintained that one of the heirs, Raymunda, had religiously paid the real estate taxes, they could not present any receipts because these were allegedly lost.^[29]

Alicia denied all the allegations of the Heirs and maintained that she and Gabriel legally and regularly obtained the free patent and the original certificate of title.^[30]

The Regional Trial Court did not rule on the merits.^[31] Instead, it dismissed the case without prejudice for failure to implead an indispensable party.^[32] The trial court found that the successors of one of the heirs, Guillermo Mendoza (Zosimo's deceased brother), were not impleaded as party-plaintiffs.^[33] The Regional Trial Court held:

In the light of the fact that the surviving legal heirs of the deceased Guillermo Mendoza are pro-indiviso co-owners of the property in question together with the rest of the heirs of the late Teodora Loyola who, as such are indispensable parties in this case without whom no final determination can be rendered by the Court, there is no option at hand but to dismiss the Complaint for failure of plaintiffs to implead therein said indispensable parties.

As a matter of course, the Court finds no more need to delve into the merits of the case as well as the issues raised by the parties.

WHEREFORE, the Complaint is DISMISSED, but without prejudice.

No pronouncement as to costs.

SO ORDERED.^[34]

The Heirs moved for reconsideration,^[35] but the Motion was denied in the Order dated October 30, 2006.^[36]

The Heirs then filed an appeal before the Court of Appeals questioning the dismissal.^[37]

In its Decision^[38] dated December 22, 2008, the Court of Appeals upheld the Regional Trial Court's dismissal of the case.

The Court of Appeals found that the Regional Trial Court erred in finding that there was a failure to implead an indispensable party as the heirs of Guillermo Mendoza were not indispensable parties and judgment could be rendered without impleading them as party-plaintiffs.^[39] It noted that in explicitly identifying themselves in the Complaint as representatives of Guillermo Mendoza and executing a Special Power of Attorney for Zosimo to represent them in the case, the heirs of Guillermo Mendoza voluntarily submitted themselves to the jurisdiction of the trial court.^[40]

Nevertheless, the Court of Appeals found that the evidence presented by the Heirs was insufficient to overcome the presumption of regularity of the free patent and original certificate of title issued to Alicia.^[41] It found that the Heirs failed to submit evidence showing that Teodora alone inherited the property when testimonies revealed that she had a brother. Likewise, they failed to prove that they were legally related to or were the only heirs of Teodora.^[42] They did not even prove that she had died, and that she had the power to validly transmit rights over the property to them.^[43] Thus:

In the face of plaintiff Heirs' failure to prove that they have a right or title to the subject property, the dismissal of their complaint is in order.

WHEREFORE, the appeal is **DISMISSED** and the decision appealed from is **AFFIRMED** *in toto*.^[44] (Emphasis in the original)

The Heirs moved for reconsideration,^[45] but the Motion was denied in the Court of Appeals Resolution^[46] dated May 20, 2009.

On July 24, 2009, the Heirs of Teodora Loyola filed this Petition for Certiorari.^[47]

Petitioners claim that the Court of Appeals committed grave abuse of discretion amounting to lack or excess of jurisdiction in going beyond the issues raised on appeal. They claim that the Court of Appeals touched on the factual findings of the Regional Trial Court although these were not even contested by respondent.^[48] They insist that their appeal focused only on the procedural aspect of jurisdiction over indispensable parties. Thus, the Court of Appeals should have ruled on this matter alone.^[49] Petitioners assert that in any case, they have convincingly proven their claim and allegations as to their rights over the land and that the patent issued to respondent is null and void.^[50]

Further, petitioners aver that the Court of Appeals failed to consider that respondent did not comply with the requirements for the issuance of a free patent and original certificate of title. According to petitioners, the Land Registration Authority, the Register of Deeds of Bataan, the Provincial Environment and Natural Resources Office (PENRO), and the Central Environment and Natural Resources Office (CENRO) all certified that they did not have the documents on the application in their respective offices.^[51]

Petitioners likewise insist that their witnesses' testimonies show that they have been in open, continuous, exclusive, and notorious possession and occupation of the

property. Thus, they are deemed to have acquired the land by operation of law, without need of a certificate of title.^[52]

In her Comment^[53] dated November 2, 2010, respondent Alicia R. Loyola states that she and her predecessors in-interest exclusively, adversely, and publicly possessed the property as owners since time immemorial.^[54] She claims that the patent was granted after land officers investigated the land area, the improvements, the nature of her possession, and the taxes paid.^[55] She alleges that after the issuance of the title, she continued to pay the taxes and introduced improvements to the land, including fruit trees she had planted, houses she and her husband had built, and the houses of their seven (7) children.^[56] Respondent maintains that petitioners never resided in the land because petitioners' ancestral house was located elsewhere, as shown by their non-payment of property taxes.^[57]

On the claim that no record of the processing of the free patent application exists in the PENRO and the CENRO, respondent states that Amado M. Villanueva of the Department of Natural Resources - Bataan testified that the Bureau of Lands did not endorse all its records to the Department of Environment and Natural Resources.^[58] Amado M. Villanueva even categorically stated that he did not find anything illegal or irregular in the issuance of the free patent and title.^[59]

Moreover, respondent asserts that the Court of Appeals was correct in finding that petitioners showed no documentary evidence that Teodora was the only owner of the property, and that they were her only heirs.^[60]

In their Reply^[61] dated March 11, 2011, petitioners reiterate that there is no record nor document in the proper government agencies showing that respondent validly complied with the requirements for the issuance of the patent title. Thus, this effectively overcame the presumption of regularity accorded to its issuance.^[62]

For resolution are the following issues:

First, whether the Court of Appeals gravely abused its discretion when it went beyond the issue of dismissal and ruled on the sufficiency of petitioners' evidence before the Regional Trial Court; and

Second, whether petitioners were able to sufficiently establish their title or ownership over the property.

We dismiss the Petition.

Petitioners availed themselves of the wrong remedy. They should have filed a petition for review under Rule 45 instead of a petition for certiorari under Rule 65 of the Rules of Court.

In *Microsoft Corp. v. Best Deal Computer Center Corp.*:^[63]

A special civil action for *certiorari* will prosper only if grave abuse of discretion is manifested. For an abuse to be grave the power must be exercised in an arbitrary or despotic manner by reason of passion or personal hostility. The abuse of discretion must be so patent and gross as to amount to an evasion of a positive duty, or a virtual refusal to perform

the duty enjoined or act in contemplation of law. There is grave abuse of discretion when respondent acts in a capricious or whimsical manner in the exercise of its judgment as to be equivalent to lack of jurisdiction.

Petitioner asserts that respondent trial court gravely abused its discretion in denying its application for the issuance of an *ex parte* order. However, other than this bare allegation, petitioner failed to point out specific instances where grave abuse of discretion was allegedly committed....

Significantly, even assuming that the orders were erroneous, such error would merely be deemed as an error of judgment that cannot be remedied by *certiorari*. As long as the respondent acted with jurisdiction, any error committed by him or it in the exercise thereof will amount to nothing more than an error of judgment which may be reviewed or corrected only by appeal. The distinction is clear: A petition for *certiorari* seeks to correct errors of jurisdiction while a petition for review seeks to correct errors of judgment committed by the court. Errors of judgment include errors of procedure or mistakes in the court's findings. Where a court has jurisdiction over the person and subject matter, the decision on all other questions arising in the case is an exercise of that jurisdiction. Consequently, all errors committed in the exercise of such jurisdiction are merely errors of judgment. *Certiorari* under Rule 65 is a remedy designed for the correction of errors of jurisdiction and not errors of judgment.^[64]
(Citations omitted)

Petitioners claim that the Court of Appeals committed grave abuse of discretion when it went beyond the issue of dismissal of the Complaint and touched on the factual findings of the Regional Trial Court. They allege that respondent did not contest the trial court's factual findings as she did not file an appellee's brief. They posit that the Court of Appeals should have just ruled on the issue of dismissal alone.^[65]

The Court of Appeals did not commit grave abuse of discretion in - dismissing petitioners' Complaint. It had jurisdiction over the person and the subject matter of the case, and there is no showing that it whimsically or capriciously exercised this jurisdiction. At most, it may have committed an error of procedure, as petitioners question its ruling on the merits of the case and not just on the issue of dismissal for failure to implead indispensable parties.

As petitioners fail to avail themselves of the proper remedy, the Petition ought to be dismissed. Nonetheless, so as not to further delay the disposition of this case, this Court resolves the issue of whether the Court of Appeals erred in ruling on the merits of the case and not just on the issue of dismissal for failure to implead indispensable parties.

As a general rule, only matters assigned as errors in the appeal may be resolved. Rule 51, Section 8 of the Rules of Court provides:

SECTION 8. *Questions that May Be Decided.* — No error which does not affect the jurisdiction over the subject matter or the validity of the judgment appealed from or the proceedings therein will be considered unless stated in the assignment of errors, or closely related to or