

SECOND DIVISION

[G.R. No. 200042, July 07, 2016]

FELIZARDO T. GUNTALILIB, PETITIONER, VS. AURELIO Y. DELA CRUZ AND SALOME V. DELA CRUZ, RESPONDENTS.

D E C I S I O N

DEL CASTILLO, J.:

This Petition for Review on *Certiorari*^[1] seeks to set aside: 1) the August 10, 2011 Decision^[2] of the Court of Appeals (CA) in CA-G.R. SP No. 115963 dismissing the Petition for *Certiorari* in said case and affirming the January 12, 2010^[3] and June 21, 2010^[4] Orders of the Regional Trial Court (RTC) of Bayombong, Nueva Vizcaya, Branches 28 and 27, respectively, in Civil Case No. 6975; and 2) the CA's January 5, 2012 Resolution^[5] denying herein petitioner's Motion for Reconsideration.

Factual Antecedents

On July 14, 2009, respondents Aurelio and Salome dela Cruz filed a Complaint^[6] for "Quieting Of Titles x x x; Annulment and Cancellation of Unnumbered OCT/Damages," against petitioner Felizardo Guntalilib and other heirs of Bernardo (or Bernardino) Tumaliuan. The case was docketed as Civil Case No. 6975 and assigned to Branch 28 of the RTC of Bayombong, Nueva Vizcaya.

The subject property is Lot 421 located in Nueva Vizcaya consisting of 8,991 square meters and which, as respondents claimed in their Complaint, was originally registered on August 7, 1916 as Original Certificate of Title (OCT) No. 213. Respondent Aurelio's grandfather, Juan dela Cruz, later acquired the property in 1919, and Transfer Certificate of Title (TCT) No. R-3 was issued in his name; when he passed away, the property was inherited by Aurelio's father, Leonor, and, in lieu of TCT R-3, TCT 14202 was issued in Leonor's favor. Later on, Leonor conveyed the property to Aurelio and his brother, Joseph, and TCT T-46087 was then issued in their favor. In turn, Joseph waived ownership in favor of Aurelio by deed of quitclaim dated December 31, 2001, in which case a new title, TCT T-126545, was issued in Aurelio's name as sole owner.

Respondents claimed further that all this time, the dela Cruz family was in full possession, occupation and enjoyment of the property, and petitioner and his co-heirs have never set foot on the property; that later on, Lot 421 was subdivided and new titles were issued in lieu of TCT T-126545; and that Aurelio sold portions thereof to several individuals, but he remains the registered owner of the remaining portion.

Respondents likewise alleged that on February 20, 2008, petitioner filed in court a petition, docketed as LRC Case No. 6544 and assigned to the Bayombong, Nueva

Vizcaya RTC, Branch 29, for reconstitution or issuance of a new certificate of title in lieu of an allegedly lost unnumbered OCT which was issued on August 29, 1916 in the name of petitioner's predecessor, Bernardo Tumaliuan, and covering the very same property, or Lot 421, which they owned; that said petition was eventually granted, and the Nueva Vizcaya Register of Deeds was ordered to issue another owner's duplicate copy of their predecessor's supposed unnumbered OCT; and that said unnumbered OCT constituted a cloud upon their titles that must necessarily be removed.

Petitioner and his co-defendants filed a Motion to Dismiss^[7] Civil Case No. 6975, arguing that the Complaint stated no cause of action; that the case constituted a collateral attack on their unnumbered OCT; that respondents failed to implead all the heirs of Bernardo Tumaliuan, who are indispensable parties to the case; and that the Complaint's verification and certification on non-forum shopping were defective.

Respondents filed a Motion for Admission of Amended Complaint,^[8] with attached Amended Complaint^[9] for "Quieting Of Titles x x x; Cancellation of Unnumbered OCT/Damages." Apart from incorporating the same allegations contained in their original Complaint, respondents further alleged in said Amended Complaint that their mother title, OCT 213 which was issued on August 7, 1916, should prevail over the petitioner's unnumbered OCT which was issued only on August 29, 1916; that petitioner and his co-heirs had prior knowledge of the dela Cruzes' previous and existing titles, and were never in possession of Lot 421; and that through fraud, false misrepresentations, and irregularities in the proceedings for reconstitution (LRC Case No. 6544), petitioner was able to secure a copy of his predecessor's supposed unnumbered OCT. Respondents prayed, thus:

WHEREFORE, premises considered, it is most respectfully prayed that after trial in this case, this Honorable Court issue a judgment in favor of Plaintiffs and against, defendants, as follows:

1. Quieting [of] title and ownership over Lot No. 421 and portions thereof, in favor of Plaintiffe, particularly TCT No. 147078; TCT No. 142232; TCT No. 142233; TCT No. 142235; TCT No. 142236; TCT No. 142237; TCT No. 142239; and TCT Nos. 142241 thru 142245 and all such titles of individuals who acquired title to portions of Lot No. 421 from Plaintiffs;
2. An order directing the cancellation of the Unnumbered Original Certificate of Title to Lot 421 in the name of Bernardo Tumaliuan;
3. An order directing defendants to pay plaintiffs moral damages in the amount of P100,000.00;
4. Ordering defendants to reimburse plaintiffs for their attorney's fees, appearance fee and costs of this suit.
5. Any such other relief as may be just and fair under the attendant circumstances.^[10]

Petitioner and his co-defendants opposed the Motion for Admission of Amended Complaint, arguing in their Opposition (*Ad Cautelam*)^[11] that the motion was a mere scrap of paper because it did not comply with Sections 4, 5 and 6 of Rule 15 of the 1997 Rules of Civil Procedure^[12] (1997 Rules), as no date of hearing was set and the motion was addressed to the Clerk of Court alone; that the verification and certification on non-forum shopping contained in the original Complaint, being defective, could not be cured by the subsequent filing of the Amended Complaint; and that the Amended Complaint was improper and prohibited, as it is essentially aimed at setting aside the Decision in LRC Case No. 6544 issued by a court of concurrent jurisdiction.

On January 12, 2010, the trial court in Civil Case No. 6975 issued an Order^[13] admitting respondents' Amended Complaint and denying petitioner's Motion to Dismiss. It held that -

Assuming *arguendo* that this Court shall treat the Motion for Admission of Amended Complaint as not filed, this Court is still duty bound to recognize the right of herein plaintiff under Rule 10 Section 2 where plaintiffs are allowed as a matter of right to file their amended complaint anytime before a responsive pleading is filed. Considering that a Motion to Dismiss is not a responsive pleading, this Court has no other recourse but to allow plaintiffs to submit their amended complaint.

With respect to the contention of the defendants that the complaint did not raise any cause of action, this Court x x x is in the belief that the plaintiff may be entitled to the relief sought for after exhaustively trying the case on the merits. On that note, considering the quantum of documentary evidence adduced by the plaintiff herein, this Court is inclined to try the case on the merits.

With respect to the contention of the defendants that the complaint failed to include and implead all indispensable parties, this Court construes the cited case of *Teresita V. Orbeta vs. Paul B. Sendiong* x x x that the High Court contemplated "the absence of an indispensable party" and not the "absence of all indispensable parties". As this Court is in the belief that plaintiff had impleaded some indispensable parties, then a trial on the merits should proceed.

Defendants likewise had raised as an issue that a Decision rendered by Regional Trial Court Branch 29, Bayombong, Nueva Vizcaya, particularly LRC Case No. 6544 x x x rendered on July 21, 2008 should bar any inquiry with regard to the issue of the ownership of one of the parcels of land subject of this instant case.

Placing a parcel [of land] under the mantle of the Torrens System does not mean that ownership thereof can no longer be disputed. Ownership is different from a certificate of title x x x.

In LRC Case No. 6544, Regional Trial Court Branch 29 adjudicated on the

issuance of another Certificate of Title in favor of petitioner, now defendant in this case, Felizardo T. Guntalilib. In this instant case, the issue of ownership is being brought to the fore. This distinction should be heavily noted. Moreover, on closer inquiry, this Court notes the point raised by the Registry of Deeds of Nueva Vizcaya in its Motion for, Reconsideration to the Decision rendered in LRC Case No. 6544 xxx:

xxxx

To this Court, it would appear that the issue of ownership remains unsettled and this instant case will squarely address this issue.

To make out an action to quiet title under the foregoing provision (Article 476 of the Civil Code), the initiatory pleading has only to set forth allegations showing that (1) the plaintiff has "title to real property or any interest therein" and (2) the defendant claims an interest therein adverse to the plaintiffs arising from an instrument, record, claim, encumbrance, or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable or unenforceable." x x x

A perusal of the allegations of the initiatory pleadings reveals that an action to quiet title is proper and this Court shall properly proceed to try this case on the merits.

A reading of the Opposition by the defendants reveals alarming allegations and imputations.

Defendants aver that Mr. Aristotle Mercado, Legal Researcher of this Branch, is allegedly one of the buyers of the property subject of this instance case from plaintiffs. Consequently, defendants doubt if the Motion filed by the plaintiffs on September 17, 2009 had been read by the undersigned Judge and as it appears was "kept from the Honorable presiding Judge and the defendants so that the matter can be submitted for the Court's consideration and approval immediately upon receipt hereof."

Defendants likewise aver that plaintiffs deliberately absented themselves in the proceedings of September 22, 2009 for unknown reasons.

This Court would like to remind defendants to exercise restraint and caution in imputing allegations which are unsubstantiated. A perusal of the records would reveal that the plaintiffs had furnished defendants with a copy of plaintiffs' Motion filed on September 17, 2009 per Registry Receipt No. 234.

To impute on Mr. Mercado as a buyer of the plaintiffs and of allegedly executing acts prejudicial to defendants' interest and of directly accusing plaintiffs of deliberately absenting themselves from the proceedings of September 22, 2009 are reasons enough for this Court to warn defendants to exercise restraint in accusing parties, be it adversary or court personnel.

WHEREFORE, premises considered, this Court hereby admits the Amended Complaint filed by plaintiffs herein. The Motion to Dismiss filed by defendants is DENIED.

SO ORDERED.^[14]

Petitioner filed a Motion for Reconsideration;^[15] meanwhile, the case was re-raffled to Branch 27 of the RTC of Bayombong, Nueva Vizcaya. On June 21, 2010, the trial court issued an Order^[16] denying petitioner's Motion for Reconsideration and ordering the defendants in the case to file their answer.

Ruling of the Court of Appeals

Petitioner filed an original Petition for *Certiorari*;^[17] with prayer for injunctive relief before the CA, which was docketed as CA-G.R. SP No. 115963. In seeking reversal of the trial court's January 12, 2010 and June 21, 2010 Orders, petitioner essentially reiterated the arguments contained in his Motion to Dismiss, adding that the trial court should not have admitted respondents' Amended Complaint since the original Complaint was a mere scrap of paper as it was defective in form and substance; that since in the first instance the Complaint was a mere scrap of paper, then there is no Complaint to be amended; and that the assailed Orders were null and void.

On August 10, 2011, the CA issued the assailed Decision affirming the trial court's assailed Orders, pronouncing thus:

The RTC found the allegations in the initiatory pleading proper in the action to quiet title, thus, was "inclined to try the merits of the case". In a motion to dismiss for failure to state a cause of action, the inquiry is into the sufficiency and not the veracity, of the material allegations. If the allegations of the complaint are sufficient in form and substance but their veracity and correctness are assailed, it is incumbent upon the court to deny the motion to dismiss and require the defendant to answer and go to trial to prove his defense. The veracity of the assertions of the parties can be ascertained at the trial of the case on the merits. Further, Section 3 of Rule 16 of the Rules of Court, the rule in point, provides:

"x x x x

Sec. 3. *Resolution of motion.* After the hearing, the court may dismiss the action, or claim, deny the motion, or order the amendment of the pleading.

x x x x

As gleaned from the above-quoted provision, there are three (3) courses of action which the trial court may take in resolving a motion to dismiss, i.e. to grant, to deny, or to allow amendment of the pleading. We find no grave error on the part of the trial court in denying the motion to dismiss as the allegations are sufficient to support a cause of action for quieting of title.