

FIRST DIVISION

[G.R. No. 155943, August 19, 2013]

PILAR DEVELOPMENT CORPORATION, PETITIONER, VS. THE HON. COURT OF APPEALS, SPOUSES PEPITO L. NG AND VIOLETA N. NG, AND SPOUSES ANTONIO V. MARTEL, JR. AND JULIANA TICSON, RESPONDENTS.

D E C I S I O N

SERENO, C.J.:

This case involves a 6.7905-hectare property located in Sitio Caballero, Almanza, Las Piñas City. The ownership of the property and the validity of the titles covering it have already been questioned and resolved in numerous cases filed before several regional trial courts (RTCs), the Court of Appeals (CA), and the Supreme Court. The present petition stems from one of those cases.

Pilar Development Corporation (petitioner), through the instant Petition for Review,^[1] is before this Court praying for the reversal of the CA Decision^[2] dated 12 July 2002 and Resolution^[3] dated 14 November 2002. The CA affirmed the Order of the RTC of Las Piñas City dated 9 February 1998 granting the Motion to Dismiss filed by respondent spouses Pepito L. Ng and Violeta N. Ng (Sps. Ng) and spouses Antonio V. Martel, Jr. and Juliana Ticson (Sps. Martel) against petitioner's Complaint for Quietening of Title.

FACTUAL BACKGROUND:

G.R. No. 91413: Lilia Mayuga- Fusilero v. The Honorable Court of Appeals, Benito J. Lopez, and Pepito Ng

Spouses Benito and Corazon Lopez (Sps. Lopez) and Sps. Ng acquired a 185,317 sq.m. property located in Almanza, Las Piñas City, from a certain Philip Dumbrique (Dumbrique) on 7 February 1977. Thereafter, the latter's Transfer Certificate of Title (TCT) No. S-50432 was cancelled. On 6 January 1978, TCT No. 61176 was issued in the name of Sps. Lopez, and TCT No. 61177 in the name of Sps. Ng.

In May 1978—after the property had been transferred to and registered in the names of Sps. Ng and Sps. Lopez—a claim adverse to theirs and Dumbrique's cropped up. Lilia Mayuga-Fusilero (Fusilero) filed a Complaint against them with the Court of First Instance (CFI), where the case was docketed as Civil Case No. Pq-6381-P (Fusilero case).

The CFI ruled in favor of the Lopezes and the Ngs. Fusilero appealed the case to the CA, which in CA-G.R. CV No. 14618 affirmed the CFI's Decision. She appealed to this Court, but her appeal was also denied through a 2 July 1990 Resolution in G.R. No. 91413. We ruled that the CA did not err in affirming the CFI's Decision.

Eventually, Sps. Lopez sold their property to respondent Sps. Martel, resulting in the cancellation of the former's title and the issuance of TCT No. T-57471 in the latter's names.

LRC No. N-9049

While the Fusilero case was pending, Enrique, Narciso, Reuben, Mario, Teodorica, Beatriz, Ricardo, and Rolando—all surnamed Factor—executed a Deed of Sale of Unregistered Lands dated 21 January 1975 in favor of petitioner.^[4]

After the purchase of the property, petitioner enclosed it with a fence made of cement hollow blocks.^[5] It subdivided and developed the property into what is now known as "Pilar Village."

On 9 December 1975, the Factors filed an Application for Registration and Confirmation of Title to Parcels of Land with the Court of First Instance (CFI) of Rizal, where the case was docketed as LRC No. N-9049 (Case 1).^[6]

The Factors claimed that they were the owners of the land subject of the present cases; and that they had inherited it from their parents, Constantino Factor and Maura Mayuga. They also claimed to have been in actual possession of the property for more than 30 years prior to the filing of their application for registration.

As previously mentioned, pending the resolution of Case 1 by the CFI, specifically on 6 January 1978, TCT Nos. 61176 and 61177 were issued in the names of respondent Sps. Lopez and Sps. Ng, respectively. These titles covered a big parcel of land, which included the 6.7905 hectares sold by the Factors to petitioner.^[7]

On 31 January 1976, the CFI in Case 1 rendered its Decision declaring the Factors as the rightful owners of the subject property. Consequently, it ordered the issuance of the decrees of registration and the corresponding certificates of title. In compliance with the Order, TCTs in the names of the Factors were issued on 13 December 1994.

After the issuance of their TCTs, respondents filed a Petition to Reopen, Review, and Set Aside the Decision of the CFI in Case 1. Soon thereafter, the Factors informed petitioner of respondents' claim over the property.

According to petitioner, since it took possession of the property in 1975 up until 19 years thereafter, or on 30 May 1995—which was also the day when the Factors informed it of respondents' Petition to Reopen—it had no knowledge of any third party having any claim on the property.^[8]

On 8 December 1994, the RTC issued its Decision granting respondents' Petition to Reopen. It set aside its earlier Decision awarding the property to the Factors and ordered the issuance of the decree of registration and the corresponding certificates of title in respondents' favor.^[9]

Neither of the parties appealed the RTC Decision.

G.R. No. 132334: De Leon v. Imperio; G.R. Nos. 133956-58: Factor v. Court of Appeals; and the present Petition.

Instead of appealing the 8 December 1994 Decision of the RTC, the Factors filed anew a Complaint for Annulment of Title. Alleging that TCT Nos. 61176 and 61177 were spurious and could not be used as basis for any claim of title, they prayed that the RTC order the Registrar of Deeds to cancel these titles. The case was docketed as Civil Case No. 94-3158 (Case 2).^[10]

On 15 May 1995, Sps. Lopez and Sps. Ng filed a Motion to Dismiss Case 2, alleging that the cause of action of the Factors was barred by prior judgment and *res judicata*.

The Lopezes and the Ngs narrated that they had purchased the property from Dumbrique in 1977. Supposedly, they were only made aware of the controversy surrounding it when, on 17 November 1987, the Heirs of Irene Garcia filed with the RTC a Complaint for annulment and/or cancellation of title and reconveyance with preliminary injunction against Philip Dumbrique, Sps. Lopez, and respondent Sps. Ng in Civil Case No. 18349. This case eventually reached the present Court. In a Resolution dated 15 January 1997,^[11] this Court ruled that the CA committed no error in affirming the RTC's dismissal of the Complaint, since Sps. Lopez and Sps. Ng were innocent buyers in good faith and for value. The Court likewise affirmed the CA's pronouncement that the Complaint should be dismissed, as the issue had already been settled by this Court's Decision in the Fusilero case.

On 8 September 1995, the RTC in Case 2 issued an Order granting the Motion to Dismiss. The Factors filed a Motion for Reconsideration, but it was denied through an Order dated 23 November 1995. They then appealed to the CA, but the latter, in CA-G.R. CV No. 52037, ruled that the dismissal of their Application for Registration of Confirmation of Title in Case 1 had made their Complaint for the annulment of TCT Nos. 61176 and 61177 moot and academic.^[12] Thus, the CA affirmed the RTC Decision and dismissed the appeal of the Factors. The latter filed a Motion for Reconsideration, but it was likewise denied by the CA on 23 November 1995.

The Factors then filed a Petition for Review with this Court, where the case was docketed as G.R. No. 132334. At the same time, petitioner filed with the RTC of Las Piñas City, on 15 July 1997, a Complaint for Quieting of Title and Declaration of Nullity of respondents' title (Case 3).^[13] The present Petition stems from that Complaint.

Respondents filed a Motion to Dismiss the Complaint for Quieting of Title dated 8 September 1997. They argued that petitioner had no cause of action against them, and that whatever cause of action it may claim to have was already barred by prior judgment and the statute of limitations.

In its Opposition to the Motion to Dismiss, petitioner pointed out that it had acquired ownership of the property in 1975, ahead of respondents' predecessor-in-interest, Dumbrique, who acquired it only in 1977. It also accused respondents of being guilty of laches for their failure to assert their proprietary rights for an unreasonable length of time in spite of their knowledge of its actual, open, continuous, and adverse possession of the subject property.

In an Order dated 9 February 1998, the RTC granted respondents' Motion to Dismiss.

As to the Petition for Review filed by the Factors in Case 2, it was denied through this Court's Resolution dated 22 February 1999. They filed a Motion for Reconsideration, but the Court, through its 21 April 1999 Resolution,^[14] denied the motion with finality.

With respect to the RTC's dismissal of the Complaint for Quieting of Title in Case 3, petitioner appealed this Order to the CA, but the latter affirmed the RTC Order. Petitioner filed a Motion for Reconsideration, which was likewise denied by the appellate court.

Petitioner now comes before this Court through a Petition for Review on *Certiorari*, alleging that the CA, in Case 3, erred in holding that the equitable principle of *laches* cannot be applied against respondents, who are holders of a Certificate of Title.^[15] Petitioner further avers that the CA erroneously applied the principle of *stare decisis* and the rule on *res judicata*.^[16]

In Case 3 the CA ruled that the validity of TCT Nos. 61176 and 61177 had already been questioned before and affirmed by this Court several times.^[17]

The CA held then that petitioner was bound by the ruling of this Court in the latter's 22 February 1999 Resolution in Case 2. That Resolution affirmed the Decision in CA-G.R. CV No. 52037 denying the Factors' Petition for the annulment of titles issued in favor of respondents.

In affirming the RTC Decision granting respondent's Motion to Dismiss petitioner's Complaint for Quieting of Title, the CA ruled that the validity of TCT Nos. 61176 and 61177 had already been upheld by this Court in Case 2.

We agree with the CA.

The facts of this case clearly show that petitioner's cause of action is already barred by the prior judgments of the RTC in its Decision dated 8 December 1994 in Case 1 and of this Court in Case 2.

If an action has been dismissed and the order of dismissal has become final, a prior judgment bars the institution of another action involving the same parties, subject matter, and cause of action as in the earlier case.^[18]

The fundamental principle behind the doctrine of *res judicata* is that parties ought not to be permitted to litigate the same issue more than once. That is, when a right or a fact has been judicially tried and determined by a court of competent jurisdiction, or an opportunity for such trial has been given, the judgment of the court—so long as it remains unreversed—should be conclusive upon the parties and those in privity with them in law or estate.^[19]

Petitioner insists that the CA erred in blindly applying the rule of *res judicata* to the