

SECOND DIVISION

[G.R. No. 174160, April 20, 2010]

**HACIENDA BIGAA, INC., PETITIONER, VS. EPIFANIO V. CHAVEZ
(DECEASED), SUBSTITUTED BY SANTIAGO V. CHAVEZ,
RESPONDENT.**

D E C I S I O N

BRION, J.:

This petition for review on *certiorari* ^[1] challenges the Court of Appeals (CA) decision of May 31, 2001^[2] and resolution of August 2, 2006^[3] in CA-G.R. SP No. 46176, affirming *in toto* the judgments of both the Municipal Trial Court (MTC) of Calatagan and the Regional Trial Court (RTC) of Batangas dismissing the complaint for forcible entry in Civil Case No. 129.

THE FACTS

We summarize below the factual antecedents of the present case based on the records before us.

On June 5, 1996, petitioner Hacienda Bigaa, Inc. (*Hacienda Bigaa*) filed with the Municipal Trial Court (MTC) of Calatagan, Batangas a complaint^[4] for ejectment (***forcible entry***) and damages with application for writ of preliminary injunction against respondent Epifanio V. Chavez (*Chavez*), docketed as Civil Case No. 129. The complaint alleged that Chavez, by force, strategy and/or stealth, entered on April 29, 1996 the premises of Hacienda Bigaa's properties covered by Transfer Certificate of Title (TCT) Nos. 44695 and 56120 by cutting through a section of the barbed wire fence surrounding the properties and destroying the lock of one of its gates, subsequently building a house on the property, and occupying the lots without the prior consent and against the will of Hacienda Bigaa.

The records show that the lots were originally covered by **TCT No. 722** owned by Ayala y Cia^[5] and/or Alfonso, Jacobo and Enrique Zobel, with an area of 9,652.583 hectares, known as Hacienda Calatagan. Ayala and/or the Zobels *expanded* TCT No. 722 to cover an additional 2,000 hectares of land consisting, *among others*, of beach, foreshore and bay areas, and navigable waters (*excess areas*), making it appear that these excess areas are part of Hacienda Calatagan's TCT No. 722. The Ayalas and/or the Zobels later ordered the subdivision of the *hacienda*, including these excess areas, and sold the subdivided lots to third parties.^[6]

Among the buyers or transferees of the expanded and subdivided areas was Hacienda Bigaa which caused the issuance of titles - TCT Nos. 44695 and 56120 - under its name covering the purchased subdivided areas. Thus, in his answer before the MTC of Calatagan, then defendant (now respondent) Epifanio V. Chavez alleged

that then plaintiff (now petitioner) Hacienda Bigaa is the *successor-in-interest* of Ayala y Cia, Hacienda Calatagan, Alfonso Zobel, Jacobo Zobel and Enrique Zobel - the original titular owners of TCT No. 722.

Portions of the same lands - foreshore lands - were leased out by the Republic, through the Bureau of Fisheries, to qualified applicants in whose favor fishpond permits were issued. The government-issued fishpond permits pertaining to lands covered by titles derived from TCT No. 722 of Ayala y Cia and/or the Zobels, gave rise to ownership and/or possessory disputes between the owners of Hacienda Calatagan and their privies and/or successors-in-interest, on the one hand, and the Republic or its lessees or fishpond permittees, on the other.

Suits were filed in various courts in Batangas for the recovery of the areas in excess of the area originally covered by TCT No. 722, which suits ultimately reached the Supreme Court. In the Court's 1965 decisions in *Dizon v. Rodriguez* [7] (for quieting of title) and *Republic v. Ayala y Cia and/or Hacienda Calatagan, et al.* [8] (for annulment of titles), the excess areas of TCT No. 722 were categorically declared as **unregisterable lands of the public domain** such that any title covering these excess areas are necessarily null and void. In these cases, the Ayalas and the Zobel were found to be mere **usurpers** of public domain areas, and all subdivision titles issued to them or their privies and covering these areas were invalidated; the wrongfully registered public domain areas **reverted to the Republic**. In *Dizon*, the Court declared as void the Zobel's TCT No. 2739 and its derivative titles covering subdivision Lots 1 and 49 - areas sold to the Dizons - as areas in excess of TCT No. 722 and are properly part of the public domain. In *Ayala y Cia*, the Court invalidated TCT No. 9550 and "*all other subdivision titles*" issued in favor of Ayala y Cia and/or the Zobel of Hacienda Calatagan over the areas outside its private land covered by TCT No. 722. These areas, including the lots covered by TCT No. 9550, reverted to public dominion.[9]

The pronouncement in the above cases led to the Court's 1988 decision in *Republic v. De los Angeles*,[10] a case covering the same excess areas under a reivindicatory claim of the Republic aimed at recovering lands usurped by the Ayalas and the Zobel and at placing the Republic's lessees and fishpond permittees in possession. The Court effectively held that as owner of the excess lands, the Republic has the right to place its lessees and fishpond permittees - among them Zoila de Chavez, predecessor-in-interest of Chavez - in possession. The Court invalidated TCT Nos. 3699 and 9262 for being among the "*other subdivision titles*" declared void and ordered reverted to public dominion.

To return to the forcible entry case, then defendant (now respondent) Chavez alleged in his answer before the MTC of Calatagan that his mother, Zoila de Chavez (who died intestate on September 14, 1979) was a fishpond permittee/lessee under Fishpond Permit Nos. F-4572-0 and F-24735 issued by the Bureau of Fisheries on April 21, 1959 and June 3, 1966, respectively; that the areas covered by the permits are the same parcels of land which he presently occupies as Zoila's successor-in-interest and which Hacienda Bigaa also claims.

Chavez likewise asserted that Hacienda Bigaa is the successor-in-interest of Ayala y Cia, Hacienda Calatagan, Alfonso Zobel, Jacobo Zobel and Enrique Zobel who owned land with an area of 9,652.583 hectares, covered by TCT No. 722 in the Registry of

Deeds of Batangas; that Ayala y Cia, the Zobels, or Hacienda Calatagan, illegally expanded the original area of TCT No. 722 by 2,000 hectares; that suits were filed to recover the expanded area; that these suits reached the Supreme Court which declared that these excess areas are part of the public domain and ordered their reversion to the Republic; that the Supreme Court likewise declared certain TCTs covering the subdivision lots outside the area of TCT No. 722 and issued to transferees as null and void; therefore, Hacienda Bigaa's titles - TCT Nos. 44695 and 56120 - carry no probative value as they are of dubious origins and have been nullified by the Supreme Court.^[11]

Chavez further argued that the suit is barred by prior judgment in two prior cases - (1) Civil Case No. 78, a suit for unlawful detainer filed by the Zobels against Chavez's predecessor-in-interest, Zoila de Chavez, before the then Justice of the Peace Court (now Municipal Trial Court) of Calatagan, Batangas; and (2) Civil Case No. 653, a case of *accion reivindicatoria* with prayer for preliminary mandatory injunction filed by the Republic, Zoila de Chavez, and other lessees or fishpond permittees of the Republic, against Enrique Zobel (Hacienda Bigaa's predecessor-in-interest) before the then Court of First Instance of Batangas. This case reached this Court as G.R. No. L-30240 entitled "*Republic of the Philippines v. De los Angeles, Enrique Zobel, et al.*"^[12] and was decided in 1988. Chavez asserts that the subject matter and the issues involved in these cases are squarely similar and/or identical to the subject matter and issues involved in the present forcible entry suit; the rulings in these two cases, therefore constitute *res judicata* with respect to the present case.

The MTC held a preliminary conference where the parties stipulated and identified the issues in the forcible entry case, viz: (1) who between the parties has a **better right of possession** over the premises in question; (2) whether there is ***res judicata*** ; and (3) whether the parties are entitled to damages.^[13] These are essentially the same basic issues that are before us in the present petition.

The MTC, the RTC and the CA's Decision

The MTC rendered a decision^[14] dismissing Hacienda Bigaa's complaint, holding that the disputed lots form part of the areas illegally expanded and made to appear to be covered by TCT No. 722 of Hacienda Bigaa's predecessors-in-interest (Ayala y Cia and/or the Zobels of Hacienda Calatagan); hence, the Hacienda's title are null and void. In so ruling, the MTC applied this Court's pronouncements in the antecedent cases of *Dizon v. Rodriguez*,^[15] *Republic v. Ayala y Cia and/or Hacienda Calatagan, Zobel, et al.*,^[16] and *Republic v. De los Angeles*.^[17]

The MTC added that since Hacienda Bigaa did not present proof to counter Chavez's claim that the disputed lots form part of the illegally expanded areas of Hacienda Calatagan, these lots are deemed to be the same lots litigated in the previous cases. The MTC also found prior possession in favor of Chavez, as revealed by the antecedent cases - particularly, *De los Angeles* where Chavez's mother, Zoila de Chavez, had been *ousted* by the Zobels from the fishpond lots she occupied. The MTC reasoned out that Zoila could not have been ousted from the premises had she not been in prior possession. Since Epifanio succeeded Zoila in the possession of the property, he inherited the latter's prior possession and cannot now be ousted by Hacienda Bigaa.

The MTC likewise *rejected* Hacienda Bigaa's contention that the subdivision titles covering the disputed lots - TCT Nos. 44695 and 56120 which *were not specifically canceled by the previous decisions* of the Court - should be given probative value. The MTC ruled that the subsequent issuance of a certificate of title in favor of the plaintiff does not vest title on it as the lands belong to the public domain and cannot be registered.^[18] The MTC stressed that the titles of Hacienda Bigaa were among the "other subdivision titles" declared void in the case of *Ayala y Cia* as areas not legitimately covered by TCT No. 722 and which are therefore part of the public domain. As ordered in the three antecedent cases of *Dizon*,^[19] *Ayala y Cia*,^[20] and *De los Angeles*,^[21] they should revert to the Republic. The MTC opined that Hacienda Bigaa has the burden of proving that the subject lots are not part of the illegally expanded areas; Hacienda Bigaa failed to discharge this duty when it did not present proof to controvert Chavez's allegation that the lots covered by Hacienda's TCTs are among the lots litigated in the cited cases. The MTC reiterated the following ruling of the Court in *Republic v. De los Angeles*:

x x x [F]or almost 23 years now execution of the 1965 final judgment in G.R. No. L-20950, ordering the cancellation of the subdivision titles covering the expanded areas outside the private lands of Hacienda Calatagan, is being frustrated by respondent Zobel, the Ayala and/or Hacienda Calatagan. As a consequence, the mass usurpation of lands of public domain consisting of portions of the territorial sea, the foreshore, beach and navigable water bordering the Balayan Bay, Pagaspas Bay and the China Sea, still remain unabated. The efforts of Ayala and Zobel to prevent execution of said final judgment are evident from the heretofore-mentioned technical maneuvers they have resorted to.

Clearly, the burden of proof lies on respondent Zobel and other transferees to show that his subdivision titles are not among the unlawful expanded subdivision titles declared null and void by the said 1965 judgment. **Respondent Zobel not only did not controvert the Republic's assertion that his titles are embraced within the phrase "other subdivision titles" ordered canceled but failed to show that the subdivision titles in his name cover lands within the original area covered by Ayala's TCT No. 722 (derived from OCT No. 20) and not part of the beach, foreshore and territorial sea belonging and ordered reverted to public dominion in the aforesaid 1965 judgment.** ^[22] x x x (Emphasis supplied.)

Based on the above disquisition and taking into account the consistent efforts of Hacienda Bigaa's predecessors-in-interest in "thwarting the execution" of the Court's decision in the antecedent cases, the MTC declared that the Chavezes, as the Republic's lessees/permittees, should have been in possession long ago. The MTC held:

Thus, the court holds that the land now in litigation forms part of the public dominion which properly belongs to the State. Suffice it to say that **when the defendant [Epifanio V. Chavez] entered and occupied**

the same on April 29, 1996, it was in representation of the State being the successor-in-interest of Zoila de Chavez, a government fishpond permittee and/or lessee. It should be recounted that Zoila de Chavez was in actual physical possession of the land until she was ousted by Enrique Zobel by bulldozing and flattening the area.

The recovery of this public land in favor of the State is long overdue. **Zoila de Chavez or her successor-in-interest should have been in actual and adequate possession and occupation thereof long time ago by virtue of the Supreme Court decisions anent the matter in 1965 which were reiterated in 1988 had not the plaintiff and its predecessors-in-interest succeeded in defeating the enforcement of the said decisions.** To allow the plaintiff to retain possession of these usurped public lands by ousting the government's fishpond permittees and/or lessees such as the defendant is to further frustrate the decisions of the Supreme Court on the matter. (Emphasis supplied.)

The MTC finally ruled that the elements of *res judicata* are present. The forcible entry case before it shared an **identity of parties** with Civil Case No. 78 for unlawful detainer and Civil Case No. 653 (the *Delos Angeles* case) of *accion reivindicatoria* because all of these cases involve the predecessors-in-interest of the present parties. In Civil Case No. 78, the plaintiff was Enrique Zobel, predecessor of Hacienda Bigaa, and the defendant was Zoila de Chavez, mother and predecessor of Epifanio V. Chavez. In Civil Case No. 653 which reached and was decided by this Court in 1988 as *Republic vs. De los Angeles*, Zoila de Chavez was one of the plaintiffs and Enrique Zobel was one of the defendants.^[23] The MTC also found **identity of subject matter** because the forcible entry case shared with the previous cases the same subject matter, i.e., the same lands adjudged by the Supreme Court as part of the public domain usurped by the Zobel, *et al.* through their illegally expanded titles.^[24] As to **identity of causes of action**, the MTC held that although the previous cases were for unlawful detainer and *accion reivindicatoria* while the case before it was for forcible entry, an **identity of issues existed** because all these cases involved *conflicting claims of ownership, occupation and possession of the property* which have long been settled by the Supreme Court. It recognized that under the concept of conclusiveness of judgment, *res judicata* merely requires an identity of issue, not an absolute identity of causes of action.^[25]

On October 1, 1996, Hacienda Bigaa appealed the MTC's decision to the Regional Trial Court (RTC) of Batangas^[26] which affirmed *in toto* the appealed decision.

On February 16, 1998, Hacienda Bigaa filed its petition for review^[27] with the Court of Appeals (CA), docketed as CA-G.R. SP No. 46716. The CA in its decision of June 1, 2001 dismissed the petition for review, totally affirming the RTC and MTC decisions.^[28] Hacienda Bigaa timely filed a motion for reconsideration. However, while the motion was pending, Associate Justice Salvador J. Valdez, Jr., the *ponente* of the decision sought to be reconsidered, retired from the Judiciary. As a result, the motion "slipped into hibernation" for five years.^[29]

The CA, on August 2, 2006, this time through Associate Justice Juan Q. Enriquez, Jr.,