

FIRST DIVISION

[G.R. NO. 162784, June 22, 2007]

NATIONAL HOUSING AUTHORITY, PETITIONER, VS. SEGUNDA ALMEIDA, COURT OF APPEALS, AND RTC OF SAN PEDRO, LAGUNA, BR. 31, RESPONDENTS.

D E C I S I O N

PUNO, C.J.:

This is a Petition for Review on Certiorari under Rule 45 filed by the National Housing Authority (NHA) against the Court of Appeals, the Regional Trial Court of San Pedro Laguna, Branch 31, and private respondent Segunda Almeida.

On June 28, 1959, the Land Tenure Administration (LTA) awarded to Margarita Herrera several portions of land which are part of the Tunasan Estate in San Pedro, Laguna. The award is evidenced by an Agreement to Sell No. 3787.^[1] By virtue of Republic Act No. 3488, the LTA was succeeded by the Department of Agrarian Reform (DAR). On July 31, 1975, the DAR was succeeded by the NHA by virtue of Presidential Decree No. 757.^[2] NHA as the successor agency of LTA is the petitioner in this case.

The records show that Margarita Herrera had two children: Beatriz Herrera-Mercado (the mother of private respondent) and Francisca Herrera. Beatriz Herrera-Mercado predeceased her mother and left heirs.

Margarita Herrera passed away on October 27, 1971.^[3]

On August 22, 1974, Francisca Herrera, the remaining child of the late Margarita Herrera executed a Deed of Self-Adjudication claiming that she is the only remaining relative, being the sole surviving daughter of the deceased. She also claimed to be the exclusive legal heir of the late Margarita Herrera.

The Deed of Self-Adjudication was based on a Sinumpaang Salaysay dated October 7, 1960, allegedly executed by Margarita Herrera. The pertinent portions of which are as follows:

SINUMPAANG SALAYSAY

SA SINO MAN KINAUUKULAN;

Akong si MARGARITA HERRERA, Filipina, may 83 taong gulang, balo, kasalukuyang naninirahan at tumatanggap ng sulat sa Nayon ng San Vicente, San Pedro Laguna, sa ilalim ng panunumpa ay malaya at kusang loob kong isinasaysay at pinagtitibay itong mga sumusunod:

1. Na ako ay may tinatangkilik na isang lagay na lupang tirikan (SOLAR), tumatayo sa Nayon ng San Vicente, San Pedro, Laguna, mayroong PITONG DAAN AT PITUMPU'T ISANG (771) METRONG PARISUKAT ang laki, humigit kumulang, at makikilala sa tawag na Lote 17, Bloke 55, at pag-aari ng Land Tenure Administration;
2. Na ang nasabing lote ay aking binibile, sa pamamagitan ng paghuhulog sa Land Tenure Administration, at noong ika 30 ng Julio, 1959, ang Kasunduang sa Pagbibile (AGREEMENT TO SELL No. 3787) ay ginawa at pinagtibay sa Lungsod ng Maynila, sa harap ng Notario Publico na si G. Jose C. Tolosa, at lumalabas sa kaniyang Libro Notarial bilang Documento No. 13, Pagina No. 4; Libro No. IV, Serie ng 1959;
3. Na dahilan sa ako'y matanda na at walang ano mang hanap buhay, ako ay nakatira at pinagsisilbihan nang aking anak na si Francisca Herrera, at ang tinitirikan o solar na nasasabi sa unahan ay binabayaran ng kaniyang sariling cuarta sa Land Tenure Administration;
4. Na alang-alang sa nasasaysay sa unahan nito, sakaling ako'y bawian na ng Dios ng aking buhay, ang lupang nasasabi sa unahan ay aking ipinagkakaloob sa nasabi kong anak na FRANCISCA HERRERA, Filipina, nasa katamtamang gulang, kasal kay Macario Berroya, kasalukuyang naninirahan at tumatanggap ng sulat sa Nayong ng San Vicente, San Pedro Laguna, o sa kaniyang mga tagapagmana at;
5. Na HINIHILING KO sa sino man kinauukulan, na sakaling ako nga ay bawian na ng Dios ng aking buhay ay KILALANIN, IGALANG at PAGTIBAYIN ang nilalaman sa pangalan ng aking anak na si Francisca Herrera ang loteng nasasabi sa unahan.

SA KATUNAYAN NG LAHAT, ako ay nag-didiit ng hinlalaki ng kanan kong kamay sa ibaba nito at sa kaliwang gilid ng unang dahon, dito sa Lungsod ng Maynila, ngayong ika 7 ng Octubre, 1960. ^[4]

The said document was signed by two witnesses and notarized. The witnesses signed at the left-hand side of both pages of the document with the said document having 2 pages in total. Margarita Herrera placed her thumbmark^[5] above her name in the second page and at the left-hand margin of the first page of the document.

The surviving heirs of Beatriz Herrera-Mercado filed a case for annulment of the Deed of Self-Adjudication before the then Court of First Instance of Laguna, Branch 1 in Binan, Laguna (now, Regional Trial Court Branch 25). The case for annulment was docketed as Civil Case No. B-1263.^[6]

On December 29, 1980, a Decision in Civil Case No. B-1263 (questioning the Deed of Self-Adjudication) was rendered and the deed was declared null and void.^[7]

During trial on the merits of the case assailing the Deed of Self-Adjudication,

Francisca Herrera filed an application with the NHA to purchase the same lots submitting therewith a copy of the "Sinumpaang Salaysay" executed by her mother. Private respondent Almeida, as heir of Beatriz Herrera-Mercado, protested the application.

In a Resolution^[8] dated February 5, 1986, the NHA granted the application made by Francisca Herrera, holding that:

From the evidence of the parties and the records of the lots in question, we gathered the following facts: the lots in question are portions of the lot awarded and sold to the late Margarita Herrera on July 28, 1959 by the defunct Land Tenure Administration; protestant is the daughter of the late Beatriz Herrera Mercado who was the sister of the protestee; protestee and Beatriz are children of the late Margarita Herrera; Beatriz was the transferee from Margarita of Lot Nos. 45, 46, 47, 48 and 49, Block 50; one of the lots transferred to Beatriz, e.g. Lot 47, with an area of 148 square meters is in the name of the protestant; protestant occupied the lots in question with the permission of the protestee; protestee is a resident of the Tunasan Homesite since birth; protestee was born on the lots in question; protestee left the place only after marriage but resided in a lot situated in the same Tunasan Homesite; her (protestee) son Roberto Herrera has been occupying the lots in question; he has been there even before the death of the late Margarita Herrera; **on October 7, 1960, Margarita Herrera executed a "Sinumpaang Salaysay" whereby she waived or transferred all her rights and interest over the lots in question in favor of the protestee;** and protestee had paid the lots in question in full on March 8, 1966 with the defunct Land Tenure Administration.

This Office finds that protestee has a better preferential right to purchase the lots in question.^[9]

Private respondent Almeida appealed to the Office of the President.^[10] The NHA Resolution was affirmed by the Office of the President in a Decision dated January 23, 1987.^[11]

On February 1, 1987, Francisca Herrera died. Her heirs executed an extrajudicial settlement of her estate which they submitted to the NHA. Said transfer of rights was approved by the NHA.^[12] The NHA executed several deeds of sale in favor of the heirs of Francisca Herrera and titles were issued in their favor.^[13] Thereafter, the heirs of Francisca Herrera directed Segunda Mercado-Almeida to leave the premises that she was occupying.

Feeling aggrieved by the decision of the Office of the President and the resolution of the NHA, private respondent Segunda Mercado-Almeida sought the cancellation of the titles issued in favor of the heirs of Francisca. She filed a Complaint on February 8, 1988, for **"Nullification of Government Lot's Award,"** with the Regional Trial Court of San Pedro, Laguna, Branch 31.

In her complaint, private respondent Almeida invoked her forty-year occupation of the disputed properties, and re-raised the fact that Francisca Herrera's declaration of

self-adjudication has been adjudged as a nullity because the other heirs were disregarded. The defendant heirs of Francisca Herrera alleged that the complaint was barred by laches and that the decision of the Office of the President was already final and executory.^[14] They also contended that the transfer of purchase of the subject lots is perfectly valid as the same was supported by a consideration and that Francisca Herrera paid for the property with the use of her own money.^[15] Further, they argued that plaintiff's occupation of the property was by mere tolerance and that they had been paying taxes thereon.^[16]

The Regional Trial Court issued an Order dated June 14, 1988 dismissing the case for lack of jurisdiction.^[17] The Court of Appeals in a Decision dated June 26, 1989 reversed and held that the Regional Trial Court had jurisdiction to hear and decide the case involving "title and possession to real property within its jurisdiction."^[18] The case was then remanded for further proceedings on the merits.

A pre-trial was set after which trial ensued.

On March 9, 1998, the Regional Trial Court rendered a Decision setting aside the resolution of the NHA and the decision of the Office of the President awarding the subject lots in favor of Francisca Herrera. It declared the deeds of sale executed by NHA in favor of Herrera's heirs null and void. The Register of Deeds of Laguna, Calamba Branch was ordered to cancel the Transfer Certificate of Title issued. Attorney's fees were also awarded to private respondent.

The Regional Trial Court ruled that the "Sinumpaang Salaysay" was not an assignment of rights but a disposition of property which shall take effect upon death. It then held that the said document must first be submitted to probate before it can transfer property.

Both the NHA and the heirs of Francisca Herrera filed their respective motions for reconsideration which were both denied on July 21, 1998 for lack of merit. They both appealed to the Court of Appeals. The brief for the heirs of Francisca Herrera was denied admission by the appellate court in a Resolution dated June 14, 2002 for being a "carbon copy" of the brief submitted by the NHA and for being filed seventy-nine (79) days late.

On August 28, 2003, the Court of Appeals affirmed the decision of the Regional Trial Court, *viz*:

There is no dispute that the right to repurchase the subject lots was awarded to Margarita Herrera in 1959. There is also no dispute that Margarita executed a "Sinumpaang Salaysay" on October 7, 1960. Defendant NHA claims that the "Sinumpaang Salaysay" is, in effect, a waiver or transfer of rights and interest over the subject lots in favor of Francisca Herrera. This Court is disposed to believe otherwise. After a perusal of the "Sinumpaang Salaysay" of Margarita Herrera, it can be ascertained from its wordings taken in their ordinary and grammatical sense that the document is a simple disposition of her estate to take effect after her death. Clearly the Court finds that the "Sinumpaang Salaysay" is a will of Margarita Herrera. Evidently, if the intention of Margarita Herrera was to merely assign her right over the lots to her

daughter Francisca Herrera, she should have given her "Sinumpaang Salaysay" to the defendant NHA or to Francisca Herrera for submission to the defendant NHA after the full payment of the purchase price of the lots or even prior thereto but she did not. Hence it is apparent that she intended the "Sinumpaang Salaysay" to be her last will and not an assignment of rights as what the NHA in its resolution would want to make it appear. The intention of Margarita Herrera was shared no less by Francisca Herrera who after the former's demise executed on August 22, 1974 a Deed of Self-Adjudication claiming that she is her sole and legal heir. It was only when said deed was questioned in court by the surviving heirs of Margarita Herrera's other daughter, Beatriz Mercado, that Francisca Herrera filed an application to purchase the subject lots and presented the "Sinumpaang Salaysay" stating that it is a deed of assignment of rights.^[19]

The Court of Appeals ruled that the NHA acted arbitrarily in awarding the lots to the heirs of Francisca Herrera. It upheld the trial court ruling that the "Sinumpaang Salaysay" was not an assignment of rights but one that involved disposition of property which shall take effect upon death. The issue of whether it was a valid will must first be determined by probate.

Petitioner NHA elevated the case to this Court.

Petitioner NHA raised the following issues:

- A. WHETHER OR NOT THE RESOLUTION OF THE NHA AND THE DECISION OF THE OFFICE OF THE PRESIDENT HAVE ATTAINED FINALITY, AND IF SO, WHETHER OR NOT THE PRINCIPLE OF ADMINISTRATIVE *RES JUDICATA* BARS THE COURT FROM FURTHER DETERMINING WHO BETWEEN THE PARTIES HAS PREFERENTIAL RIGHTS FOR AWARD OVER THE SUBJECT LOTS;
- B. WHETHER OR NOT THE COURT HAS JURISDICTION TO MAKE THE AWARD ON THE SUBJECT LOTS; AND
- C. WHETHER OR NOT THE AWARD OF THE SUBJECT LOTS BY THE NHA IS ARBITRARY.

We rule for the respondents.

Res judicata is a concept applied in review of lower court decisions in accordance with the hierarchy of courts. But jurisprudence has also recognized the rule of administrative *res judicata*: "the rule which forbids the reopening of a matter once judicially determined by competent authority applies as well to the judicial and quasi-judicial facts of public, executive or administrative officers and boards acting within their jurisdiction as to the judgments of courts having general judicial powers . . . It has been declared that whenever final adjudication of persons invested with power to decide on the property and rights of the citizen is examinable by the Supreme Court, upon a writ of error or a certiorari, such final adjudication may be pleaded as *res judicata*."^[20] To be sure, early jurisprudence were already mindful that the doctrine of *res judicata* cannot be said to apply exclusively to decisions rendered by what are usually understood as courts without unreasonably