

SECOND DIVISION

[G.R. NO. 129247, March 03, 2006]

**SPOUSES ARSENIO AND NIEVES S. REYES, PETITIONERS, VS.
SOLEMAR DEVELOPMENT CORPORATION AND RENATO M.
TANSECO, RESPONDENTS**

G.R. NO. 136270

**SPOUSES ARSENIO AND NIEVES S. REYES, PETITIONERS, VS.
REPUBLIC OF THE PHILIPPINES, RESPONDENT**

D E C I S I O N

SANDOVAL-GUTIERREZ, J.:

These two (2) consolidated petitions involve a parcel of land with an area of 66,787 square meters, more or less, identified as Lot 1 of subdivision plan Psd-18002, being a portion of land described in Plan II-483 LRC (GLRO) Record No. 707, situated at Barangay San Dionisio, Municipality (now City) of Parañaque.

Petitioners in G.R. No. 129247 assail the Decision dated December 10, 1996 of the Court of Appeals in CA-G.R. SP No. 37467, entitled "Solemar Development Corporation and Renato M. Tanseco v. Hon. Omar U. Umin."

In G.R. No. 136270, petitioners, in their motion for reconsideration, seek the reversal of our Resolution dated December 13, 1999 denying the petition on grounds of *res judicata* and stability of judgments.

G.R. No. 129247

On January 14, 1992, spouses Arsenio and Nieves Reyes, petitioners, filed with the Regional Trial Court (RTC), Branch 135, Makati City, a Complaint for "Damages and Preliminary Injunction with Prayer for a Temporary Restraining Order" (TRO) against respondent Solemar Development Corporation (Solemar), represented by its president, Renato Tanseco, also a respondent, docketed as Civil Case No. 92-109.

In their Complaint, petitioners alleged that they are the registered owners of the property in question as evidenced by Transfer Certificate of Title (TCT) No. 31798 (40312) of the Registry of Deeds of Parañaque City. Sometime in December 1991, they fenced the property and posted two (2) security guards to prevent trespassers from entering the premises. On January 6, 1992, respondent Renato Tanseco, accompanied by police officers, "employing force and intimidation," entered the premises and demolished its perimeter fence. Respondent "tried to eject them (petitioners) from their property thru the unlawful and felonious illegal notice of demolition and permit." They thus prayed for the issuance of a writ of preliminary injunction to prevent respondents from ejecting them from the property without any

court order.

In their Answer, respondents raised the defense that they own the disputed property, asserting that petitioners' title is of doubtful authenticity as found by the Land Registration Authority (LRA) Verification Committee. Petitioners filed their Reply thereto, after which they filed a Motion for Leave to File Amended Complaint, impleading Solemar's lessee, AMI (Philippines) Inc., as additional defendant. They also included additional causes of action, praying among others, that respondent Solemar's titles be nullified.

Respondents filed an Opposition to petitioners' motion arguing that (1) the amendments will substantially change petitioners' original cause of action or theory of the case and that (2) their certificate of title will be subjected to collateral attack.

On May 6, 1992, the RTC admitted petitioners' Amended Complaint.

After their motion for reconsideration was denied on July 11, 1992, respondents filed a Petition for Certiorari and Prohibition with the Court of Appeals assailing the Order of the RTC admitting petitioners' Amended Complaint, docketed as CA G.R. SP No. 28364.

On March 11, 1993, the Appellate Court granted the petition and annulled the RTC Order dated May 6, 1992 admitting petitioners' Amended Complaint. On September 6, 1993, petitioners filed a Motion for Reconsideration, but it was denied.

Petitioners elevated the matter to this Court in a Petition for Review on Certiorari, docketed as G.R. No. 111755. On January 26, 1994, we issued a Resolution affirming the March 11, 1993 Decision of the Court of Appeals. Our Resolution became final and executory after we denied with finality petitioners' motion for reconsideration on March 21, 1994.

Back to the RTC. Respondents filed a Motion to Dismiss the complaint in Civil Case No. 92-109 on the ground of lack of jurisdiction considering that the allegations therein clearly show that the action is one for forcible entry, which is under the exclusive jurisdiction of the Municipal Trial Court (MTC). On March 30, 1995, the RTC denied the motion to dismiss, holding that it has jurisdiction over the case since it "is for recovery of damages and recovery of possession of real property and, of necessary consequence, the issue of ownership thereof is brought to fore."

On June 8, 1995, the RTC denied respondents' motion for reconsideration.

Forthwith, respondents filed a Petition for Certiorari, Prohibition and Mandamus with the Court of Appeals, docketed therein as CA-G.R. SP No. 37467. In a Decision dated December 10, 1996, the Appellate Court granted the petition and ordered the RTC to dismiss the case for lack of jurisdiction, finding that "a careful reading of the allegations therein would show that the complaint for damages, taken in its full context, was meant to restore private respondents to the peaceful possession of the land and to prevent petitioners from further depriving the former of the lawful occupation thereof." The Appellate Court further held:

It is thus clear that while private respondents may have valid claims for indemnity for what they perceived were the result of wrongful or illegal

acts committed by petitioners, it is nevertheless unquestionable that in filing their complaint, private respondents were asking the court to determine their right, or the lack of it, to possess the subject property. It follows, therefore, that the damages allegedly suffered by private respondents are merely incidental to the issue of possession which is the very heart of the parties' dispute.

On May 7, 1997, the Court of Appeals denied petitioners' motion for reconsideration.

Hence, this Petition for Review on Certiorari where the issue for our resolution is whether petitioners' complaint is one for forcible entry falling under the jurisdiction of the MTC or for the recovery of ownership falling under the jurisdiction of the RTC.

We hold that the Court of Appeals did not err in ordering the RTC, Branch 135, Makati City, to dismiss petitioners' complaint in Civil Case No. 92-109. Jurisdiction of the court over the subject matter of the action is determined by the allegations of the complaint, irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein.^[1] It cannot be made to depend on the exclusive characterization of the case by one of the parties.^[2] After reviewing carefully the allegations in petitioners' complaint, specifically paragraphs 4, 10, and 15,^[3] we found no reason to deviate from the finding of the Appellate Court that indeed the complaint is for forcible entry. Significantly, the complaint was filed on January 14, 1992, or within one (1) year, specifically within eight (8) days, from the alleged forcible entry to the property by respondent Tanseco on January 6, 1992.^[4] While captioned as a Complaint for Damages with Application for a TRO and Preliminary Injunction, yet the allegations therein show that petitioners are asserting their right to the peaceful possession of their property which is proper in an ejectment suit. All ejectment cases are within the jurisdiction of the MTC.^[5]

Accordingly, the denial of the petition in this case is in order.

G.R. No. 136270

On July 29, 1992, the Republic of the Philippines, represented by the Administrator of the LRA, herein respondent, filed with the RTC, Branch 60, Makati City, a Complaint for Declaration of Nullity and Cancellation of TCT No. 31798 (40312) in the name of spouses Arsenio and Nieves Reyes, docketed as Civil Case No. 92-2135. The complaint alleges that the land title of said spouses, now petitioners, is of doubtful authenticity, having been obtained through fraud, as found by the LRA Verification Committee. The Republic prayed that the same be declared void and be cancelled by the Register of Deeds of Parañaque City.

In their Answer, petitioners maintained that their title is valid and that the so called LRA Verification Committee Report appears to have been irregularly issued. As compulsory counterclaim, they pleaded that their title to the property be declared valid and their right to recover from the Assurance Fund be upheld "in the unlikely possibility that the same is nullified because of the negligence, incompetence, inadvertence, let alone due to the anomalous practices of those charged with the issuance of land titles." They prayed that the Republic's complaint be dismissed and that judgment be rendered on their counterclaim.

Solemar filed a Complaint for Quieting of Title against petitioners with the RTC, Branch 61, Makati City, docketed as Civil Case No. 93-1566. On April 26, 1996, the RTC rendered a Decision declaring that TCT No. 31798 (40312) in the name of herein petitioners, spouses Reyes, is spurious and directed the Register of Deeds of Parañaque City to cancel the same. The RTC found that:

From the evidence presented to prove the validity of SOLEMAR's eight (8) titles, the Court finds an exhaustive and detailed presentation of evidence tracing the historical origin of SOLEMAR's titles termed as "TRACE BACK" (Exhibit "I"), from the original registration proceedings before the Court of First Instance of Rizal and other administrative matters leading to the issuance of SOLEMAR's Titles.

Upon the other hand, the evidence consisting of public documents to prove the nature of the REYES' title, SOLEMAR submitted a detailed origin of REYES' title as shown in the Verification Committee Report dated November 7, 1990 of the Land Registration Authority (LRA) tracing the series of falsification and dubious source of REYES' title and their predecessors' title which led the LRA to conclude that REYES' title is of doubtful validity and authenticity and includes its recommendation to the Office of the Solicitor General for the filing of a case for the cancellation of REYES' title and requesting the National Bureau of Investigation to prosecute the parties responsible for the irregularities.

On the above findings on the evidence, the Court concludes that SOLEMAR has duly established its case through overwhelming preponderance of evidence on the validity of SOLEMAR's titles. At the same time, the evidence of SOLEMAR has likewise proven that defendants REYES' titles are fake and spurious and/or total nullity as found by government agencies.

Petitioners filed a Motion for New Trial and/or Motion for Reconsideration of the Decision. But the trial court denied the same. On September 16, 1996, petitioners filed a Notice of Appeal, but it was not given due course. The trial court ruled that the motion filed earlier, which is *pro forma*, did not suspend the period to appeal, thus its Decision became final on **May 19, 1996**. On September 24, 1996, the trial court issued a writ of execution. Thereupon, the Register of Deeds of Parañaque City cancelled petitioners' TCT No. 31798 (40312).

Petitioners filed with the Court of Appeals a Petition for Certiorari, Prohibition and Mandamus. In its Decision of July 30, 1997, the Appellate Court denied the petition for having been filed out of time, prompting petitioners to file with this Court a Petition for Review on Certiorari, docketed as G.R. No. 130888. In a Resolution dated January 28, 1998, we affirmed the Decision of the Appellate Court. In a Resolution dated April 13, 1998, we denied with finality petitioners' motion for reconsideration. Thus, the RTC Decision in Civil Case No. 93-1566 for quieting of title in favor of respondents has been put to rest.

Since Solemar's titles have been declared valid, the Solicitor General, on April 29, 1997, filed a Motion to Withdraw the Republic's Complaint in Civil Case No. 92-2135 for declaration of nullity of petitioners' land title. On June 19, 1997, the RTC denied the motion to withdraw the complaint on the grounds that (a) a court may not grant