

SECOND DIVISION

[G.R. NO. 121159, December 16, 2002]

VSC COMMERCIAL ENTERPRISES, INC., PETITIONER, VS. COURT OF APPEALS, OSCAR ESTOPACE AND JOSE SILAPAN, RESPONDENTS.

DECISION

AUSTRIA-MARTINEZ, J.:

The present petition for review on certiorari brought before us by VSC Commercial Enterprises, Inc. (VSC) seeks the reversal of the decision of the Court of Appeals promulgated on June 16, 1994 reversing and setting aside the order of dismissal, dated March 15, 1991, of Civil Case No. 90-55411 issued by the Regional Trial Court of Manila (Branch 21) and the resolution of the appellate court, dated July 7, 1995, denying petitioner's motion for reconsideration.

The facts of the case are as follows:

On December 12, 1990, herein private respondents Oscar Estopace and Jose Silapan filed with the Regional Trial Court of Manila a complaint against the Register of Deeds of Manila and petitioner VSC alleging:

"3. x x x that they are bona-fide stallholders inside the 'Pamilihang Sentral ng Sta. Mesa', for about ten (10) years or so prior to the institution of this action;

"4. As such stallholders, plaintiffs have been paying their market fees to defendant VSC Commercial Enterprises, Inc. under the latter's claim that he (sic) was the registered owner of the lot and building known as the 'Pamilihang Sentral ng Sta. Mesa;'

"5. Of late, the plaintiffs came into possession of certain documents which would indicate that TCT No. 153406 of the Register of Deeds of Manila (which is in the name of VSC Commercial Enterprises, Inc.),^[1] originating as it did after several transfers of titles, from O.C.T. No. 2863 covers lands not in Sta. Mesa, Manila but lands situated either in Caloocan, Mariquina Estate or in San Juan, Metro Manila;"^[2]

In support thereof, private respondents cited several documents annexed to their complaint showing that TCT No. 153406 is "fraudulent, spurious and highly questionable." They pray for the cancellation of defendant VSC's title over the subject property claiming that:

"13. As a consequence of the cancellation of said title of land, the land thereunder (sic) remains with or reverts to the estate (sic) disposable to qualified applicants to buy the said land in accordance with law;

"14. As stallholders, the plaintiffs together with the other several stallholders on this land would have pre-emptive rights over this government property."^[3]

Instead of filing an Answer, petitioner VSC filed a Motion to Dismiss on the following grounds:

"PLAINTIFFS ARE NOT THE REAL PARTIES IN INTEREST. AS SUCH, THEY HAVE NO CAUSE OF ACTION AGAINST THE HEREIN DEFENDANT.

"THE COMPLAINT STATES NO CAUSE OF ACTION CONSIDERING THAT PLAINTIFFS ARE ESTOPPED FROM ASSERTING TITLE OF THE PROPERTY LEASED BY THEM FROM THE HEREIN DEFENDANT.

"AND ASSUMING BUT WITHOUT ADMITTING THAT PLAINTIFFS ARE THE REAL PARTIES IN INTEREST AND HAVE CAUSE OF ACTION AGAINST DEFENDANT, THE CLAIM OR DEMAND SET FORTH IN THE PLAINTIFFS' COMPLAINT HAS ALREADY PRESCRIBED OR OTHERWISE EXTINGUISHED."^[4]

On March 15, 1991, the lower court issued an order dismissing the complaint.^[5]

Private respondents appealed the said order to the Court of Appeals.

On June 16, 1994, the appellate court rendered the assailed decision, the dispositive portion of which reads:

"ACCORDINGLY, the order of dismissal of Civil Case No. 90-55411 is hereby REVERSED and SET ASIDE. The records of the case are ordered remanded to the Court of origin or the Regional Trial Court of Manila, Branch 21 for appropriate hearing and/or for further proceedings. We make no pronouncement as to costs.

"SO ORDERED."^[6]

Petitioner VSC filed a Motion for Reconsideration but the appellate court, in a Resolution issued on July 7, 1995, denied the same.^[7]

Hence, herein petition raising the following Assignment of Errors:

I

THE COURT OF APPEALS COMMITTED GRAVE ABUSE OF DISCRETION IN ORDERING THE TRIAL COURT FOR FURTHER PROCEEDING/TRIAL OF THE RESPONDENTS' COMPLAINT DESPITE ITS FINDINGS THAT RESPONDENTS ARE MERE LESSEES OR TENANTS OF THE PETITIONER'S PROPERTY COVERED BY TRANSFER CERTIFICATE OF TITLE NO. 153406 WHICH RESPONDENTS SEEK TO ANNUL IN THE SAID COMPLAINT. IN SO DOING, THE COURT OF APPEALS PATENTLY VIOLATED ARTICLE 1436 OF THE CIVIL CODE OF THE PHILIPPINES AS WELL AS SECTION 3(b), RULE 131 OF THE RULES OF COURT AND OTHER JURISPRUDENCE ON THE MATTER.

II