



Republic of the Philippines
Supreme Court
Manila

SUPREME COURT OF THE PHILIPPINES
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SECOND DIVISION

**FILIPINAS ESLON
MANUFACTURING CORP.,**

Petitioner,

G.R. No. 194114

Present:

- versus -

CARPIO, J., Chairperson,
PERLAS-BERNABE,
CAGUIOA,
J. REYES, JR., and
LAZARO-JAVIER, JJ.

**HEIRS OF BASILIO LLANES,
namely: CASIANO LLANES,
DOMINGO LLANES, FABIAN
LLANES, VICTORINA L.
TAGALIMOT, PACENCIA L.
MANALES, NORMA L.
BACALARES, LOURDES L.
PAJARDO, JOSEPHINE LLANES,
JOSEFA LLANES and JOVENCITA
LLANES; ROLYNWIN Q. LAMSON;
PHILIPPINE AMANAH BANK, also
known as AL-AMANAH ISLAMIC
INVESTMENT BANK OF THE
PHILIPPINES; SPOUSES MEDEL
and CARMEN JUSTINIANO a.k.a.
CARMEN & MEDEL JUSTINIANO;
RUFINO V. GENILO; MARIA SOL
A. SEVESES; SPOUSES SALVADOR
and CHEQUETHELMA GERONA;
CRESOGONO R. SEVESES,
MONERA M. LALANTO; CLAUDIO
M. CLOSAS; SPOUSES SERAFIN
and ELSA FERRAREN; EDILBERTO
V. PAZA* and GENEROSO
EMPUESTO,**

Respondents.

Promulgated:

27 MAR 2019

Alvarez Perfecto

X-----X

* Spelled as "Plaza" in some parts of the record.

DECISION

CAGUIOA, J.:

Before the Court is a Petition for Review on *Certiorari*¹ (Petition) under Rule 45 of the Rules of Court filed by petitioner Filipinas Eslon Manufacturing Corporation (FEMCO) against respondents Heirs of Basilio Llanes, namely: Casiano Llanes (Casiano), Domingo Llanes (Domingo), Fabian Llanes (Fabian), Victorina L. Tagalimot (Victorina), Pacencia L. Manales (Pacencia), Norma L. Bacalares (Norma), Lourdes L. Pajardo (Lourdes), Josephine Llanes (Josephine), Josefa Llanes (Josefa), and Jovencita Llanes (Jovencita) (collectively, the respondents Heirs of Llanes); Rolywin Q. Lamson (Rolywin); Philippine Amanah Bank, also known as Al-Amanah Islamic Investment Bank of the Philippines (PAB); Spouses Medel and Carmen Justiniano (Sps. Justiniano); Rufino V. Genilo (Rufino); Maria Sol A. Seveses (Maria); Spouses Salvador and Chequethelma Gerona (Sps. Gerona); Cresogono R. Seveses (Cresogono); Monera M. Lalanto (Monera); Claudio M. Closas (Claudio); Spouses Serafin and Elsa Ferraren (Sps. Ferraren); Edilberto V. Paza (Edilberto); and Generoso Empuesto (Generoso).³

The instant Petition assails the Decision² dated August 23, 2010 (assailed Decision) promulgated by the Court of Appeals, Cagayan de Oro City Twenty-First Division (CA) in CA-G.R. CV No. 62936, which reversed the Decision³ dated September 30, 1998 issued by the Regional Trial Court of Lanao Del Norte, City of Iligan, Branch 6 (RTC) in Civil Case No. 06-3337.

The Facts and Antecedent Proceedings

As narrated by the CA in the assailed Decision and as culled from the records of the case, the essential facts and antecedent proceedings of the instant case are as follows:

[Petitioner FEMCO] is a manufacturer of “eslon pipes and accessories.” Its manufacturing plant is located within a 50,528 square-meter land, known as Lot B-2, covered by Transfer Certificate of Title No. (TCT) T-17460 (a.f.), which is situated in Barrio Sta. Felomina, Iligan City.

On February 2, 1994, Atty. Alfredo Busico, counsel for [respondents] Heirs of Basilio Llanes, wrote a Letter to the management of [petitioner] FEMCO informing them that its plant site may have encroached into his clients’ properties, known as Lot 1911-B-4, Lot 1911-B-3, and Lot 1911-J, covered by TCT No. T-29,635 (a.f.), TCT No. T-31,994 (a.f.) and TCT No. T-21573 (a.f.), respectively.

¹ *Rollo*, pp. 11-35.

² *Id.* at 39-60. Penned by then Associate Justice Ramon Paul L. Hernando (now a Member of this Court), with Associate Justices Romulo V. Borja and Edgardo T. Lloren concurring.

³ *Id.* at 61-79. Penned by Judge Valerio M. Salazar.

In a Letter dated 16 February 1994, Atty. Gerardo Padilla, counsel for [petitioner] FEMCO, replied that his client's property is covered by a valid certificate of title – TCT No. T-17460 (a.f.). He also informed Atty. Busico that upon his inquiry with the Register of Deeds of Iligan City, he discovered that:

- 1) Lot 1911 is titled in the name of one Basilio Llanes. His title thereto is evidenced by OCT No. 0-1040 (a.f.) based on Decree No. N-182390 dated April 17, 1968 [allegedly issued by the Hon. Teodulo Tandayag of the Court of First Instance (CFI) of Lanao del Norte.]
- 2) Per Cadastral record, only Messrs. Pio Echaves and Pedro Q. Solosa filed an answer/claims for Lot 1911, which answer still exists.
- 3) Again, per record, your client Basilio Llanes did not file an answer/claim to said Lot 1911.
- 4) Finally, per record, Lot 1911 is NOT yet decreed in the name of any person, let alone your client Basilio Llanes.

Atty. Padilla concluded that OCT No. 0-1040 (a.f.) which is registered in the name of Basilio Llanes is spurious.

No further communication between Atty. Busico and Atty. Padilla transpired thereafter.

On 14 March 1995, [petitioner] FEMCO management received a Letter dated 23 February 1995 from a certain Atty. Dulcesimo Tampus, apparently the new counsel for the Heirs of Basilio Llanes, informing them that that they had erroneously fenced a portion of about 16,629 square meters of his clients' lot, known as Lot 1911. The letter demanded that the fence be removed immediately and for [petitioner] FEMCO to pay the amount of Php 2,000.00 as rental fee, until the fence shall have been removed.

Two days later, Atty. Padilla wrote Atty. Tampus a Letter informing him that "per cadastral record, the only persons who filed answers to Lot 1911 were Messrs. Pio Echavez and Pedro Q. Solosa. Basilio Llanes never claimed or filed an answer to said lot. Also, per Form No. 36, Record of Cadastral Answer, Lot 1911 is not yet decreed in favor of any person, let alone in the name of Basilio Llanes. The only inevitable conclusion is that the title of your clients is faked (sic)."

To forestall any farther (sic) attempt to interfere with its property rights, [petitioner] FEMCO filed on 1 September 1995, a Complaint against [the respondents] before the RTC of Lanao del Norte for quieting of title and damages. This was docketed as Civil Case No. 3337.

In its Complaint, [petitioner] FEMCO asserted [that it is the registered owner of a parcel of land situated in Sta. Felomina, Iligan City having an area of 50,528 square meters, its title thereto being evidenced by TCT No. 17460 (a.f.), that it has constructed thereon its manufacturing plant for eslon pipes and accessories, and] that "OCT No. 0-1040 (a.f.) and all the transfer certificate of titles emanating thereunder, including but not limited to those referred to in the next preceding paragraph, are apparently valid or effective but are in truth and in fact invalid, ineffective, voidable, or



unenforceable and are prejudicial to [petitioner FEMCO's] title"; that "despite the knowledge that their titles are fake and fraudulent, [respondents] Heirs of Basilio Llanes and [Rolynwin] continue to hold on to their title and in fact has (sic) been selling and/or disposing of the same to the prejudice of [petitioner FEMCO] and the Torrens system. Furthermore, [respondents] Heirs of Basilio Llanes continue to pester and annoy [petitioner FEMCO] by claiming that a portion of [petitioner FEMCO's] land has encroached on their titled land, which they know is false"; that [respondent PAB,] despite the fact that its titles are fake as they emanated from a fake OCT No. 0-1040 (a.f.) has claimed that [petitioner FEMCO's] fence is within its property, which is false."

x x x x

[On the part of the respondents Heirs of Basilio Llanes, they denied the material allegation of the Complaint, alleging that OCT No. 0-1040 (a.f.) is valid and effective by virtue of a decision of the CFI of Lanao del Norte dated April 17, 1968; that Lot 1911 has been in actual physical possession by Basilio Llanes; that petitioner FEMCO is illegally occupying a portion of Lot 1911 consisting of 16,629 sq. meters; and that TCT No. T-17480 is the one which is invalid, void, and ineffective because it is based on a non-existing homestead application.]

On 30 September 1998, the [RTC] issued the assailed Decision in favor of [petitioner FEMCO].

[The RTC, in its Decision, held that "the evidence is indubitable that NO decision was signed and rendered by Hon. Teodulo Tandayag, the detailed presiding judge of the then Court of First Instance of Lanao del Norte adjudicating Cad. Lot No. 1911 in favor of Basilio Llanes on April 17, 1968. Aside from the other facts such as the absence of a cadastral answer of Basilio Llanes and the testimony of Atty. Macaraya that the cadastral records show that Lot 1911 has not been adjudicated to any person or entity, the most telling and strongly convincing evidence showing that no such decision was rendered by Judge Tandayag is the alleged certified decision, Exh. 'H' itself. It contains specific data which condemns itself as a falsity, x x x."⁴

The dispositive portion of the RTC's Decision reads:

1. Declaring OCT No. 0-1040 (a.f.) in the name of Basilio Llanes, Exh. "G" and Decree No. N-182390, Exh. "G-1" null and void *ab initio*, and the decision, Exh. "H" as well as the Order for the issuance of the decree, Exh. "H-4" inexistent, fake and void *ab initio*;

2. Declaring all transfer certificates of title derived from OCT No. 0-1040 (a.f.) to be likewise invalid and ineffective[,] particularly the following:

a) TCT No. T-35,257 (a.f.); TCT No. T-35,258 (a.f.) and TCT No. T-35259, all in the name of [respondents Sps. Gerona];

b) TCT No. T-28,823 (a.f.), in the name of [respondent Rufino];

⁴ Id. at 73.

- c) TCT No. T-30,495 (a.f.) and TCT No. T-30496 (a.f.), both in the name of [respondent Cresogono];
- d) TCT No. T-31992 (a.f.), in the name of [respondent Maria];
- e) TCT No. T-29,546 (a.f.) in the name of [respondent Monera];
- f) TCT No. T-45,217 (a.f.), in the name of [respondent Claudio];
- g) TCT No. T-31767 (a.f.); TCT No. 32390 (a.f.) and TCT No. T-34,495 (a.f.), all in the name of [respondents Sps. Ferraren];
- h) TCT No. T-21,572 (a.f.) and TCT No. T-31994 (a.f.), all in the name of Basilio Llanes;
- i) TCT No. T-32,116 (a.f.), in the name of [respondent Edilberto];
- j) TCT No. T-32085 (a.f.); TCT No. T-32183 (a.f.), in the name of [respondent PAB];

The Register of Deeds of Iligan City is directed to cancel all the above certificates of title.

3. Declaring [petitioner FEMCO] to be entitled to the ownership and possession of the land described in TCT No. T-17460 (a.f.) in its name particularly that portion of the 16,629 sq. meters claimed by [respondents] Heirs of Basilio Llanes and that portion of 947.64 sq. meters claimed by [respondent PAB].

4. Denying [petitioner FEMCO's] claim for damages against all [respondents] and dismissing the complaint against [respondent Generoso] without prejudice.

5. Dismissing the counterclaims of all [respondents] against [petitioner FEMCO] for lack of merit.

No pronouncement as to costs.

SO ORDERED.]⁵

Aggrieved, [respondents Edilberto], Heirs of Basilio Llanes, [Cresogono and Maria (respondents Seveses)], [Monera], and [PAB] filed their respective Notices of Appeal. However, [respondents Rufino, Sps. Justiniano, Sps. Gerona, Claudio, and Sps. Ferraren] failed to file an appeal. Thus, as to them, the decision rendered by the court *a quo* has become final and executory.

While the [respondent] Heirs of Basilio Llanes and [respondents Seveses] were able to file their Notice of Appeal within the reglementary period, they however failed to file their Appellants' Brief within the time

⁵ Id. at 78-79.



allowed and granted by [the CA]. Thus, on 10 August 2000, the [CA] issued a Resolution dismissing their appeal pursuant to Section 1(e) Rule 50 of the 1997 Rules of Civil Procedure. Subsequently, on 13 September 2000, an Entry of Judgment was issued by the [CA], declaring the case final and executory insofar as [respondents] Heirs of Basilio Llanes and [respondents Seveses] were concerned. Hence, the [CA no longer passed] upon their respective appeals in [the assailed] Decision.

x x x x

[The CA thus resolved] the merits of the appeals foisted by [respondents PAB, Monera, and Edilberto.]⁶

The Ruling of the CA

In the assailed Decision, the CA granted the appeal of respondents PAB, Monera and Edilberto. The dispositive portion of the assailed Decision reads:

WHEREFORE, all the foregoing considered, the assailed Decision dated 30 September 1998 rendered by the Regional Trial Court (RTC), 12th Judicial Region, Branch 06, City of Iligan, in Civil Case No. 06-3337 is hereby **REVERSED** and **SET ASIDE**. Plaintiff-appellee FEMCO's Complaint against defendants and defentants-appellants Al-Amanah Islamic Bank, Monera M. Lalanto and Edilberto V. Paza is **DISMISSED**. No Costs.

SO ORDERED.⁷

As explained in the assailed Decision, in the main, the CA granted the appeal for three reasons.

First, according to the CA, since it is evident from petitioner FEMCO's assertions, allegations, and reliefs sought in its Complaint for Quieting of Title that it is actually an indirect action for annulment of title, the Complaint must be dismissed in accordance with the doctrine that a certificate of title cannot be subject to a collateral attack.⁸

Second, since the title of the respondents Heirs of Basilio Llanes [OCT No. 0-1040 (a.f.)] is sourced from Decree No. N-182390 supposedly issued by the then CFI of Lanao del Norte, the CA held that an action for quieting of title is not the appropriate remedy where the action would require the modification or interference with the judgment or order of another co-equal court.⁹

Lastly, the CA held that petitioner FEMCO had no personality to institute the Complaint for Quieting of Title because if petitioner FEMCO's

⁶ Id. at 41-52.

⁷ Id. at 59.

⁸ Id. at 54.

⁹ Id. at 55-56.



prayer in its Complaint would be granted, Lot 1911 would be reverted to the government. Hence, only the government, through the Solicitor General, can institute a reversion case.¹⁰

Hence, the instant Petition.

Respondent Edilberto, through his heirs, filed a Manifestation for Substitution as Defendant-heirs of Edilberto V. Paza with Comment to the Petition for Review on Certiorari¹¹ dated January 15, 2014, while respondent PAB filed its Comment¹² dated November 27, 2014, to which petitioner FEMCO responded with its Consolidated Reply¹³ dated January 23, 2017.

Issue

The central issue to be resolved by the Court is whether the CA was correct in holding that: (1) petitioner FEMCO's Complaint for Quieting of Title is a prohibited collateral attack on a certificate of title; (2) petitioner FEMCO, in filing its Complaint, resorted to a wrong remedy since a separate action would require the modification or interference with the judgment or order of another co-equal court; and (3) petitioner FEMCO had no personality to institute the Complaint.

The Court's Ruling

The Court finds petitioner FEMCO's Petition meritorious and resolves to grant the instant Petition.

I. *The Procedural Issues*

Before deciding on the substantive merits of the instant case, the Court shall first quickly resolve the lone procedural issue raised by respondent PAB against the instant Petition.

Supposed Defect in the Verification and Certification of Non-Forum Shopping

According to Section 5, Rule 7, of the Rules of Court, and as held by a *catena* of cases decided by the Court,¹⁴ it is the plaintiff or principal party who should execute the certification of non-forum shopping under oath. In the case of the corporations, the physical act of signing may be performed, on behalf of the corporate entity, only by specifically authorized individuals for the

¹⁰ Id. at 57-58.

¹¹ Id. at 279-296.

¹² Id. at 326-339.

¹³ Id. at 366-377.

¹⁴ *Agustin v. Cruz-Herrera*, 726 Phil. 533, 543 (2014).

simple reason that corporations, as artificial persons, cannot personally do the task themselves.¹⁵

In its Comment, respondent PAB alleges that “there is absolutely no showing on the part of Calvin H. Tabora that at the time of the filing of the Petition, he was clothed with a special authority to sign the verification and certification of non-forum shopping on behalf of FEMCO. His being the Vice President for Manufacturing does not *ipso facto* confer on him the special authority to perform such act on behalf of the corporation.”¹⁶

A simple perusal of the instant Petition belies the allegation of respondent PAB.

It is crystal clear from the Secretary’s Certificate dated November 9, 2010 attached by petitioner FEMCO in its Petition that Calvin H. Tabora is “authorized to sign the Verification and Certification of Non-Forum Shopping of the above petition.”¹⁷

Hence, the lone procedural issue raised by respondent PAB is patently without merit.

II. *The Substantive Issues*

The Court shall now discuss in *seriatim* the three reasons of the CA in granting the appeal of respondents PAB, Monera, and Edilberto, and consequently reversing and setting aside the RTC’s Decision dated September 30, 1998 which granted petitioner FEMCO’s Complaint for Quieting of Title.

A. *The Complaint for Quieting of Title as a Prohibited Collateral Attack against Certificates of Title*

The CA posits that since in petitioner FEMCO’s Complaint for Quieting of Title, the relief actually sought for was the nullification of OCT No. 0-1040 (a.f.) and all other titles emanating therefrom: “This action is clearly an indirect or collateral attack because the suit which [petitioner] FEMCO filed before the [RTC] prayed for a different relief, which is not proper in an action for quieting of title. Instead, it referred to the annulment of OCT No. 0-1040 and Decree No. N-182390, including the subsequent transfer certificates of title.”¹⁸

¹⁵ *BA Savings Bank v. Sia*, 391 Phil. 370, 377-378 (2000).

¹⁶ *Rollo*, p. 328.

¹⁷ *Id.* at 37.

¹⁸ *Id.* at 55.

In essence, the CA believes that an action for quieting of title which involves a challenge to the validity of a certificate of title is a collateral attack which is prohibited by law.

The CA is mistaken.

Jurisprudence explains that an action or proceeding is deemed an attack on a title when its objective is to nullify the title, thereby challenging the judgment pursuant to which the title was decreed. The attack is direct when the objective is to annul or set aside such judgment, or enjoin its enforcement. On the other hand, the attack is indirect or collateral when, in an action to obtain a different relief, an attack on the judgment is nevertheless made as an incident thereof.¹⁹

An action to quiet title or to remove the clouds over a title is a special civil action governed by the second paragraph of Section 1, Rule 63 of the Rules of Court. Specifically, an action for quieting of title is essentially a common law remedy grounded on equity. The competent court is tasked to determine the respective rights of the complainant and other claimants, not only to put things in their proper place, to make the one who has no rights to said immovable respect and not disturb the other, but also for the benefit of both, so that he who has the right would see every cloud of doubt over the property dissipated, and he could afterwards without fear introduce the improvements he may desire, to use, and even to abuse the property as he deems best. For an action to quiet title to prosper, two indispensable requisites must concur, namely: (1) the plaintiff or complainant has a legal or an equitable title to or interest in the real property subject of the action; and (2) the deed, claim, encumbrance, or proceeding claimed to be casting cloud on his title must be shown to be in fact invalid or inoperative despite its *prima facie* appearance of validity or legal efficacy.²⁰

In the instant case, the Complaint filed by petitioner FEMCO alleged and, as found by the RTC, sufficiently proved these two requisites for quieting of title: that petitioner FEMCO has a legal right in the subject property by virtue of TCT No. T-17460 (a.f.); and that the deed claimed to be casting a cloud on the title of petitioner FEMCO, *i.e.*, OCT No. 0-1040 (a.f.) based on Decree No. N-182390 dated April 17, 1968, is invalid, null, and void.

Hence, raising the invalidity of a certificate of title in an action for quieting of title is NOT a collateral attack because it is central, imperative, and essential in such an action that the complainant shows the invalidity of the deed which casts cloud on his title. In other words, at the heart of the Complaint for Quieting of Title instituted by petitioner FEMCO is the nullification of OCT No. 0-1040 in order to remove the cloud besetting its own title. This is manifestly a direct attack.

¹⁹ *Sarmiento v. Court of Appeals*, 507 Phil. 101, 113 (2005).

²⁰ *Mananquil v. Moico*, 699 Phil. 120, 126-127 (2012).



In *Oño, et al. v. Lim*,²¹ the Court, in finding unmeritorious therein petitioner's claim that action for quieting of title should be disallowed because it supposedly constituted a collateral attack on his certificate of title, held that:

The petitioners contend that this action for quieting of title should be disallowed because it constituted a collateral attack on OCT No. RO-9969-(O-20449), citing Section 48 of Presidential Decree No. 1529, viz:

Section 48. Certificate not subject to collateral attack.— A certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law.

The petitioners' contention is not well taken.

An action or proceeding is deemed an attack on a title when its objective is to nullify the title, thereby challenging the judgment pursuant to which the title was decreed. The attack is direct when the objective is to annul or set aside such judgment, or enjoin its enforcement. On the other hand, the attack is indirect or collateral when, in an action to obtain a different relief, an attack on the judgment is nevertheless made as an incident thereof.

Quieting of title is a common law remedy for the removal of any cloud, doubt, or uncertainty affecting title to real property. Whenever there is a cloud on title to real property or any interest in real property by reason of any instrument, record, claim, encumbrance, or proceeding that is apparently valid or effective, but is, in truth and in fact, invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title. In such action, the competent court is tasked to determine the respective rights of the complainant and the other claimants, not only to place things in their proper places, and to make the claimant, who has no rights to said immovable, respect and not disturb the one so entitled, but also for the benefit of both, so that whoever has the right will see every cloud of doubt over the property dissipated, and he can thereafter fearlessly introduce the improvements he may desire, as well as use, and even abuse the property as he deems fit.²²

Similarly, in *Roman Catholic Archbishop of San Fernando v. Soriano, Jr.*,²³ the Court held that the complaint for quieting of title filed against the therein petitioner does not amount to a collateral attack because at the heart of the action for quieting of title was the genuineness of the certificate of title:

The RCA likewise asserts that the case for quieting of title is a collateral attack on its title which is prohibited by law. However, we agree with the CA in holding that the complaint against the RCA does not amount to a collateral attack because the action for the declaration of nullity of OCT No. 17629 is a clear and direct attack on its title.

An action is deemed an attack on a title when its objective is to nullify the title, thereby challenging the judgment pursuant to which the title was decreed. The attack is direct when the objective is to annul or set aside such judgment, or enjoin its enforcement. On the other hand, the attack is

²¹ 628 Phil. 418 (2010).

²² Id. at 425-426.

²³ 671 Phil. 308 (2011).



indirect or collateral when, in an action to obtain a different relief, an attack on the judgment is nevertheless made as an incident thereof.

The complaint filed with the RTC pertinently alleged that the claim of ownership by the RCA is spurious as its title, denominated as OCT No. 17629, is fake for the following reasons: (1) that the erasures are very apparent and the title itself is fake; (2) it was made to appear under Memorandum of Encumbrance Entry No. 1007 that the title is a reconstituted title when in truth, it is not; and (3) the verification reveals that there was no petition filed before any court where an order was issued for the reconstitution and re-issuance of an owner's duplicate copy. It is thus clear from the foregoing that the case filed questioning the genuineness of OCT No. 17629 is a direct attack on the title of the RCA.²⁴

In *Guntalilib v. Dela Cruz*,²⁵ the Court, in denying the therein petitioner's claim that the therein respondents' action for quieting of title was a prohibited collateral attack, held that the underlying objectives or reliefs sought in both quieting of title and the annulment of title cases are essentially the same — adjudication of the ownership of the disputed lot and nullification of the questioned certificates of title:

Moving on to the substantive issues raised, the Court finds without merit petitioner's claim that respondents' quieting of title case constitutes a prohibited attack on his predecessor Bernardo Tumaliuan's unnumbered OCT as well as the proceedings in LRC Case No. 6544. It is true that "the validity of a certificate of title cannot be assailed in an action for quieting of title; an action for annulment of title is the more appropriate remedy to seek the cancellation of a certificate of title." Indeed, it is settled that a certificate of title is not subject to collateral attack. However, while respondents' action is denominated as one for quieting of title, it is in reality an action to annul and cancel Bernardo Tumaliuan's unnumbered OCT. The allegations and prayer in their Amended Complaint make out a case for annulment and cancellation of title, and not merely quieting of title: they claim that their predecessor's OCT 213, which was issued on August 7, 1916, should prevail over Bernardo Tumaliuan's unnumbered OCT which was issued only on August 29, 1916; that petitioner and his co-defendants have knowledge of OCT 213 and their existing titles; that through fraud, false misrepresentations, and irregularities in the proceedings for reconstitution (LRC Case No. 6544), petitioner was able to secure a copy of his predecessor's supposed unnumbered OCT; and for these reasons, Bernardo Tumaliuan's unnumbered OCT should be cancelled. Besides, the case was denominated as one for "Quieting of Titles x x x; Cancellation of Unnumbered OCT/Damages."

It has been held that "[t]he underlying objectives or reliefs sought in both the quieting-of-title and the annulment-of-title cases are essentially the same — adjudication of the ownership of the disputed lot and nullification of one of the two certificates of title." Nonetheless, petitioner should not have been so simplistic as to think that Civil Case No. 6975 is merely a quieting of title case. It is more appropriate to suppose that one of the effects of cancelling Bernardo Tumaliuan's unnumbered OCT would be to quiet title over Lot 421; in this sense, quieting of title is subsumed in the annulment of title case.²⁶

²⁴ Id. at 317-318.

²⁵ 789 Phil. 287 (2016).

²⁶ Id. at 304-305.



The CA heavily relies on *Foster-Gallego v. Sps. Galang, et al.*²⁷ in arriving at its conclusion that petitioner FEMCO's Complaint for Quieting of Title is a prohibited collateral attack. This reliance is misplaced.

First and foremost, the said case involved the raising of the nullity of a TCT in a mere answer-in-intervention to a complaint for quieting of title. This is certainly not the situation in the instant case.

In any case, in *Leyson, et al. v. Sps. Bontuyan*,²⁸ which was decided a year after *Foster-Gallego v. Sps. Galang*, the Court held that “[w]hile Section 47 of Act No. 496 provides that a certificate of title shall not be subject to collateral attack, the rule is that an action is an attack on a title if its object is to nullify the same, x x x. x x x Such action to attack a certificate of title may be an original action or a counterclaim [in a quieting of title case] in which a certificate of title is assailed as void.”²⁹ The Court added that “since all the essential facts of the case for the determination of the title’s validity are now before the Court, to require the party to institute cancellation proceedings would be pointlessly circuitous and against the best interest of justice.”³⁰

Therefore, based on the foregoing, the CA was mistaken in deeming petitioner FEMCO's Complaint for Quieting of Title a prohibited collateral attack.

B. *The Non-existence of Decree No. N-182390 dated April 17, 1968*

The Court shall now discuss the validity of the CA's reasoning that, since the title of the respondents Heirs of Basilio Llanes, *i.e.*, OCT No. 0-1040 (a.f.) is sourced from Decree No. N-182390 supposedly issued by the then CFI of Lanao del Norte, the RTC was incorrect in granting petitioner FEMCO's Complaint for Quieting of Title since a separate action is the appropriate remedy to modify or interfere with the judgment or order of another co-equal court.

The CA is correct in saying that it is the CA, and not the RTC, which has exclusive jurisdiction over actions for annulment of trial court decisions. A trial court has no authority to annul the final judgment of a co-equal court.³¹ However, the aforesaid doctrine does not apply in the instant case.

An action to annul and enjoin the enforcement of the judgment presupposes that the challenged judgment exists to begin with.³²

In the instant case, there is no final judgment that must be subjected to an action for annulment with the CA because, as indisputably found by the

²⁷ 479 Phil. 148 (2004).

²⁸ 492 Phil. 238 (2005).

²⁹ *Id.* at 257.

³⁰ *Id.*

³¹ *Nery v. Leyson*, 393 Phil. 644, 647-648 (2000).

³² See *Macabingkil v. People's Homesite and Housing Corporation*, 164 Phil. 328, 345-346 (1976).

RTC, Decree No. N-182390 supposedly issued by the then CFI of Lanao del Norte and signed by Hon. Teodulo Tandayag is **non-existent to begin with**. The RTC did not invalidate or nullify Decree No. N-182390; what it decreed is that Decree No. N-182390 does not exist at all.

As found by the RTC, through the records of cadastral answers of Iligan City and certification of one Atty. Joel Macaraya, the Clerk of Court of the then CFI of Lanao del Norte, among many other pieces of evidence on record, **there has been no decree issued by the Lanao CFI adjudicating Lot No. 1911 in favor of Basilio Llanes**.³³

Further, the RTC also noted that Mrs. Ma. Geronima G. Perez, the designated Branch Clerk of Court from 1981 to 1989, certified that the only copy of the alleged Decision held by respondents, a supposed certified true copy of Decision dated April 17, 1968 adjudicating Lot No. 1911 purportedly issued by her, is a completely falsity as she never issued such a document.³⁴

All in all, the RTC conclusively found that “[t]he evidence is indubitable that NO decision was signed and rendered by the Hon. Teodulo Tandayag, the detailed presiding judge of the then Court of First Instance of Lanao del Norte adjudicating Cad. Lot No. 1911 in favor of Basilio Llanes on April 17, 1968.”³⁵

At this juncture, the Court stresses that factual findings of the trial court, its calibration of the testimonies of the witnesses, and its assessment of their probative weight are given high respect, if not conclusive effect, unless it ignored, misconstrued, misunderstood or misinterpreted cogent facts and circumstances of substance, which, if considered, will alter the outcome of the case.³⁶

Hence, for the foregoing reasons, the Court finds incorrect the CA’s reversal of the RTC’s Decision granting petitioner FEMCO’s Complaint for Quieting of Title on the erroneous ground that a separate action is the appropriate remedy to modify or interfere with the judgment or order of another co-equal court.

*C. The Personality of Petitioner
FEMCO to institute the Complaint
for Quieting of Title*

Lastly, the Court now resolves to determine whether the CA was correct in holding that petitioner FEMCO had no personality to institute the Complaint for Quieting of Title for the sole reason that if petitioner FEMCO’s prayer in its Complaint would be granted, Lot No. 1911 would be reverted to the government. As held by the CA, only the government, through the Office of the Solicitor General, can institute a reversion case.

³³ *Rollo*, pp. 72-75.

³⁴ *Id.*

³⁵ *Id.* at 73.

³⁶ *People v. Alabado*, 558 Phil. 796, 813-814 (2007).



The CA is again mistaken.

An action for reversion involves property that is alleged to be of State ownership, aimed to be reverted to the public domain. Jurisprudence has held that there is no merit to the contention that only the State may bring an action for reconveyance with respect to property proven to be private property. The State, represented by the Solicitor General, is not the real party-in-interest; inasmuch as there was no reversion of the disputed property to the public domain, the State is not the proper party to bring a suit for reconveyance of a private property.³⁷

In the instant case, contrary to the CA's belief, the granting of the Complaint for Quieting of Title filed by petitioner FEMCO did not have the effect of reverting the subject property into public land because, to begin with, petitioner FEMCO is the registered private owner of the subject property, having TCT No. T-17460 (a.f.) registered in its name.

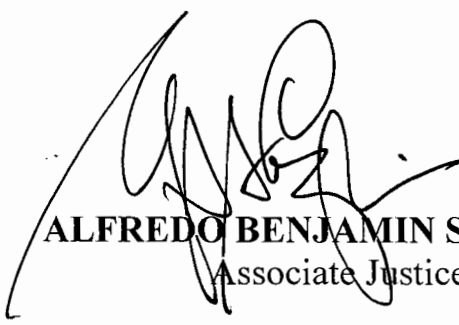
As held by the RTC in its Decision, there is no evidence on record which substantiates the claim that OCT No. RP-62(21), from which TCT No. T-17460 (a.f.) registered in the name of petitioner FEMCO stems from, was invalidly issued.³⁸

Hence, with the granting of the Complaint for Quieting of Title, the status that petitioner FEMCO enjoyed prior to the filing of the Complaint as owner of the land covered by TCT No. T-17460 (a.f.) remains undisturbed.

Therefore, with the refutation of the three erroneous grounds provided by the CA in granting the appeal posed by respondents PAB, Monera, and Edilberto, the overturned Decision of the RTC, which granted petitioner FEMCO's Complaint for Quieting of Title, must be reinstated.

WHEREFORE, premises considered, the instant Petition is **GRANTED**. The assailed Decision dated August 23, 2010 promulgated by the Court of Appeals, Cagayan de Oro City, Twenty-First Division in CA-G.R. CV No. 62936 is **REVERSED AND SET ASIDE**. The Decision dated September 30, 1998 issued by the Regional Trial Court of Lanao Del Norte, City of Iligan, Branch 6 in Civil Case No. 06-3337 is **REINSTATED**.

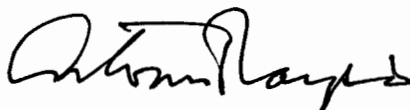
SO ORDERED.

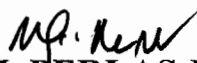

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

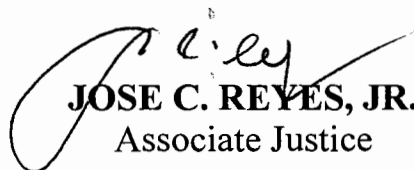
³⁷ *Heirs of Santiago v. Heirs of Santiago*, 452 Phil. 238, 253-254 (2003).

³⁸ *Rollo*, p. 76.

WE CONCUR:


ANTONIO T. CARPIO
 Associate Justice
 Chairperson



ESTELA M. BERLAS-BERNABE
 Associate Justice


JOSE C. REYES, JR.
 Associate Justice


AMY C. LAZARO-JAVIER
 Associate Justice

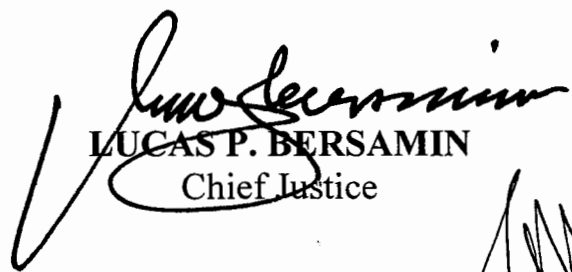
ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ANTONIO T. CARPIO
 Associate Justice
 Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


LUCAS P. BERSAMIN
 Chief Justice

