



Republic of the Philippines
Supreme Court
 Manila

THIRD DIVISION

**SPOUSES MARIO OCAMPO and
 CARMELITA F. OCAMPO,**
 Petitioners,

G.R. No. 191101

Present:

VELASCO, J.,
Chairperson,
 PERALTA,
 VILLARAMA, JR.,
 REYES, and
 JARDELEZA, JJ.

- versus -

**HEIRS OF BERNARDINO U.
 DIONISIO, represented by
 ARTEMIO SJ. DIONISIO,**
 Respondents.

Promulgated:

October 1, 2014

Stephenson

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DECISION

REYES, J.:

Before this Court is a petition for review on *certiorari*¹ under Rule 45 of the Rules of Court seeking to annul and set aside the Decision² dated July 2, 2009 and Resolution³ dated January 27, 2010 issued by the Court of Appeals (CA) in CA-G.R. SP No. 106064, which affirmed the Decision⁴ dated September 3, 2008 of the Regional Trial Court (RTC) of Binangonan, Rizal, Branch 69, in SCA Case No. 08-014.

¹ *Rollo*, pp. 13-34.

² Penned by then Court of Appeals Associate Justice Estela M. Perlas-Bernabe (now a member of this Court), with Associate Justices Pampio A. Abarintos and Romeo F. Barza, concurring; id. at 38-45.

³ Id. at 47.

⁴ Issued by Presiding Judge Narmo P. Noblejas, id. at 85-94.

A

The Facts

On August 28, 1996, Bernardino U. Dionisio (Dionisio) filed a complaint⁵ for forcible entry with the Municipal Trial Court (MTC) of Cardona, Rizal, docketed as Civil Case No. 96-0031 (forcible entry case), against Mario Ocampo (Mario) and Felix Ocampo (Felix). Dionisio sought to recover the possession of a portion of his property, covered by Original Certificate of Title (OCT) No. M-4559, situated in Dalig, Cardona, Rizal, alleging that Mario and Felix built a piggery thereon without his consent. In his answer,⁶ Mario denied Dionisio's allegation, claiming that the disputed parcel of land is owned by his wife, Carmelita Ocampo (Carmelita), who inherited the same from her father. Mario further claimed that they have been in possession of the said parcel of land since 1969.

On September 12, 1997, the MTC rendered a decision,⁷ which dismissed the complaint for forcible entry filed by Dionisio. The MTC opined that Dionisio failed to establish his prior possession of the disputed parcel of land. Dionisio's notice of appeal was denied by the MTC in its Order⁸ dated January 26, 1998 for having been filed beyond the reglementary period.

Dionisio died on September 27, 1997. Consequently, on July 3, 1998, the heirs of Dionisio (respondents), filed a complaint⁹ for recovery of possession with the MTC, docketed as Civil Case No. 98-0006 (recovery of possession case), against the spouses Mario and Carmelita (petitioners). The respondents sought to recover the same portion of the parcel of land subject of Civil Case No. 96-0031.

The respondents averred that the subject property was acquired by Dionisio on February 10, 1945 when he purchased the same from Isabelo Capistrano. That Dionisio thereafter took possession of the subject property and was able to obtain a free patent covering the subject property. OCT No. M-4559 was subsequently issued in the name of Dionisio on December 22, 1987. The respondents further claimed that sometime in 1995, Mario constructed a piggery on a portion of the subject property without their consent.¹⁰

⁵ Id. at 48-51.

⁶ Id. at 52-56.

⁷ Issued by Presiding Judge Lilian G. Dinulos-Panontongan; id. at 57-60.

⁸ Id. at 61.

⁹ Id. at 62-65.

¹⁰ Id. at 77.

In their answer,¹¹ the petitioners maintained that the subject parcel of land is owned by Carmelita, having acquired the same through inheritance and that they have been in possession thereof since 1969. Additionally, the petitioners claimed that the respondents' complaint for recovery of possession of the subject property is barred by *res judicata* in the light of the finality of the decision in the forcible entry case.

On February 18, 2008, the MTC rendered a decision¹² dismissing the complaint for recovery of possession filed by the respondents on the ground of *res judicata*. Thus:

The Court has taken cognizance of the fact that the earlier case for forcible entry docketed as Civil Case No. 96-0031 was filed by Bernardino U. Dionisio against the same defendant Mario Ocampo before this Court on August 28, 1996, and a decision based on the merit was rendered on September 12, 1997 where this Court ruled to dismiss the complaint for failure on the part of the plaintiff to establish their prior possession of the land and sufficient evidence to establish cause of action by preponderance of evidence.

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Hence, the present complaint must be dismissed on ground of *res judicata*.

The material fact or question in issue in the forcible entry is for recovery of possession which was conclusively settled in the decision dated September 12, 1997, such fact or question may not again be litigated in the present action for *accion publiciana*, although covered by ordinary civil proceeding, but technically has the same purpose, a suit for recovery of the right to possess.¹³

On appeal, the RTC rendered a Decision¹⁴ on September 3, 2008, the decretal portion of which reads:

WHEREFORE, premises considered, the appealed decision of Municipal Trial Court of Cardona, Rizal, dated February 8, 2008, is hereby REVERSED and SET ASIDE and a new one rendered in favor of the plaintiffs-appellants as follows:

1. Declaring plaintiffs-appellants as entitled to possession for being the lawful owners of the lands described under paragraph II of the complaint and covered by Original Certificate of Title No. M-4559.

¹¹ Id. at 70-76.

¹² Issued by Presiding Judge Josephine Advento Vito Cruz, id. at 77-84.

¹³ Id. at 83-84.

¹⁴ Id. at 85-94.

2. Ordering the defendants-appellees and all persons claiming rights under them to vacate the parcel of land located at Dalig, Cardona, Rizal with an area of 225 square meters covered by Original certificate of Title No. M-4559 in the name of Bernardino Dionisio and more particularly described under paragraph 2 of the complaint, to remove the improvements thereon and deliver its possession to the plaintiffs.

3. Ordering the defendants-appellees to pay plaintiffs-appellants P10,000.00 as attorney's fees and litigation expenses of P5,000.

SO ORDERED.¹⁵

The RTC ruled that the MTC erred in dismissing the respondents' complaint for recovery of possession of the subject property solely on the ground of *res judicata*. The RTC opined that the forcible entry case, only involves the question of who has a better right to the possession of the subject property while the recovery of possession case not only involves the right to the possession of the subject property, but the ownership thereof as well. The RTC stressed that a judgment rendered in a forcible entry case will not bar an action for recovery of possession based on title or ownership since there is no identity of cause of action as between the two cases.

Further, the RTC held that the respondents were able to establish that the subject property is indeed part of the parcel of land covered by OCT No. M-4559 registered in the name of Dionisio. Considering that OCT No. M-4559 is registered under the name of Dionisio, the RTC opined that the respondents, as successors-in-interest of Dionisio, are entitled to the possession of the subject property as an attribute of their ownership over the same. On the other hand, the RTC averred that the petitioners failed to adduce sufficient evidence to support their claim that they indeed own the subject property.

Unperturbed, the petitioners filed a petition for review with the CA, alleging that the RTC erred in setting aside the MTC Decision dated February 18, 2008. They maintained that the finality of the decision in the forcible entry case constitutes *res judicata*, which would warrant the outright dismissal of the respondents' complaint for recovery of possession; that the respondents were not able to sufficiently prove their ownership of the subject property. The petitioners further contended that OCT No. M-4559 registered in the name of Dionisio was irregularly issued. They likewise claimed that respondents' cause of action in the recovery of possession case is already barred by *laches*.

¹⁵ Id. at 94.

On July 2, 2009, the CA rendered the herein assailed decision,¹⁶ which affirmed the RTC Decision dated September 3, 2008. The CA held that the doctrine of *res judicata* cannot be applied in this case since there is no identity of cause of action as between the forcible entry case and the recovery of possession case. The CA likewise affirmed the RTC's finding that the respondents, as successors-in-interest of Dionisio, have sufficiently established their ownership of the subject property and, hence, are entitled to the possession thereof. Further, the CA held that the respondents' cause of action is not barred by *laches*.

The petitioners sought a reconsideration of the Decision dated July 2, 2009, but it was denied by the CA in its Resolution¹⁷ dated January 27, 2010.

Hence, the instant petition.

Issues

Essentially, the issues set forth by the petitioners for this Court's resolution are the following: (1) whether the finality of the decision in the forcible entry case constitutes *res judicata*, which would warrant the dismissal of the respondents' complaint for recovery of possession; (2) whether the respondents were able to establish their ownership of the subject property; and (3) whether the respondents' cause of action is already barred by *laches*.

The Ruling of the Court

The petition is denied.

First Issue: *Res Judicata*

The doctrine of *res judicata* is laid down under Section 47, Rule 39 of the Rules of Court, which pertinently provides that:

Sec. 47. *Effect of judgments or final orders.* — The effect of a judgment or final order rendered by a court of the Philippines, having jurisdiction to pronounce the judgment or final order, may be as follows:

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¹⁶ Id. at 38-45.

¹⁷ Id. at 47.

(b) In other cases, the judgment or final order is, with respect to the matter directly adjudged or as to any other matter that could have been raised in relation thereto, conclusive between the parties and their successors in interest by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity; and

(c) In any other litigation between the same parties or their successors in interest, that only is deemed to have been adjudged in a former judgment or final order which appears upon its face to have been so adjudged, or which was actually and necessarily included therein or necessary thereto.

This provision comprehends two distinct concepts of *res judicata*: (1) *bar by former judgment* and (2) *conclusiveness of judgment*.¹⁸ In *Judge Abelita III v. P/Supt. Doria, et al.*,¹⁹ the Court explained the two aspects of *res judicata*, thus:

There is “bar by prior judgment” when, as between the first case where the judgment was rendered and the second case that is sought to be barred, there is identity of parties, subject matter, and causes of action. In this instance, the judgment in the first case constitutes an absolute bar to the second action. Otherwise put, the judgment or decree of the court of competent jurisdiction on the merits concludes the litigation between the parties, as well as their privies, and constitutes a bar to a new action or suit involving the same cause of action before the same or other tribunal.

But where there is identity of parties in the first and second cases, but no identity of causes of action, the first judgment is conclusive only as to those matters actually and directly controverted and determined and not as to matters merely involved therein. This is the concept of *res judicata* known as “conclusiveness of judgment.” Stated differently, any right, fact or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which judgment is rendered on the merits is conclusively settled by the judgment therein and cannot again be litigated between the parties and their privies whether or not the claim, demand, purpose, or subject matter of the two actions is the same.²⁰

For *res judicata* under the first concept, bar by prior judgment, to apply, the following requisites must concur, *viz*: (a) finality of the former judgment; (b) the court which rendered it had jurisdiction over the subject matter and the parties; (c) it must be a judgment on the merits; and (d) there must be, between the first and second actions, identity of parties, subject matter and causes of action.²¹

¹⁸ *Hacienda Bigaa, Inc. v. Chavez*, G.R. No. 174160, April 20, 2010, 618 SCRA 559, 576.

¹⁹ 612 Phil. 1127 (2009).

²⁰ *Id.* at 1136-1137.

²¹ *Selga v. Brar*, G.R. No. 175151, September 21, 2011, 658 SCRA 108, 121.

The first three requisites are present in this case. The Decision dated September 12, 1997 in the forcible entry case rendered by the MTC, a court which has jurisdiction over the subject property and the parties, had long become final. The said MTC decision is an adjudication on the merits. However, the fourth requisite is not present. Although there is identity of parties and subject matter as between the forcible entry case and recovery of possession case, there is no identity of causes of action.

As correctly found by the RTC and the CA, the forcible entry case only involves the issue of possession over the subject property while the recovery of possession case puts in issue the ownership of the subject property and the concomitant right to possess the same as an attribute of ownership.

In an action for forcible entry and detainer, the only issue is possession in fact, or physical possession of real property, independently of any claim of ownership that either party may put forth in his pleading. If plaintiff can prove prior physical possession in himself, he may recover such possession even from the owner, but, on the other hand, if he cannot prove such prior physical possession, he has no right of action for forcible entry and detainer even if he should be the owner of the property.²²

Thus, even the MTC, in its Decision dated September 12, 1997 in the forcible entry case, stressed that its determination is only limited to the issue of who has “actual prior possession” of the subject property regardless of the ownership of the same.²³

On the other hand, the recovery of possession case is actually an *accion reivindicatoria* or a suit to recover possession of a parcel of land as an element of ownership. A perusal of the complaint filed by the respondents in the recovery of possession case shows that the respondents, as successors-in-interest of Dionisio, are asserting ownership of the subject property and are seeking the recovery of possession thereof.

A judgment rendered in a forcible entry case will not bar an action between the same parties respecting title or ownership because between a case for forcible entry and an *accion reivindicatoria*, there is no identity of causes of action.²⁴ Such determination does not bind the title or affect the ownership of the land; neither is it conclusive of the facts therein found in a case between the same parties upon a different cause of action involving possession.

²² *Salud Lizo v. Camilo Carandang, et al.*, 73 Phil. 649 (1942).

²³ *Rollo*, p. 58.

²⁴ *S.J. Vda. de Villanueva v. Court of Appeals*, 403 Phil. 721, 730 (2001).

The decision in the forcible entry case is conclusive only as to the MTC's determination that the petitioners are not liable for forcible entry since the respondents failed to prove their prior physical possession; it is not conclusive as to the ownership of the subject property. Besides, Section 18, Rule 70 of the Rules of Court expressly provides that a "judgment rendered in an action for forcible entry or detainer shall be conclusive with respect to the possession only and shall in no wise bind the title or affect the ownership of the land."

Second Issue: Ownership of the Subject Property

The respondents were able to prove that they have a superior right over the subject property as against the petitioners. It is undisputed that the subject property is indeed covered by OCT No. M-4559, which is registered in the name of Dionisio, the respondents' predecessor-in-interest.

Between the petitioners' unsubstantiated and self-serving claim that the subject property was inherited by Carmelita from her father and OCT No. M-4559 registered in Dionisio's name, the latter must prevail. The respondents' title over the subject property is evidence of their ownership thereof. That a certificate of title serves as evidence of an indefeasible and incontrovertible title to the property in favor of the person whose name appears therein and that a person who has a Torrens title over a land is entitled to the possession thereof are fundamental principles observed in this jurisdiction.²⁵

Further, it is settled that a Torrens Certificate of Title is indefeasible and binding upon the whole world unless and until it has been nullified by a court of competent jurisdiction. Under existing statutory and decisional law, the power to pass upon the validity of such certificate of title at the first instance properly belongs to the Regional Trial Courts in a direct proceeding for cancellation of title.²⁶ Accordingly, the petitioners may not assail the validity of the issuance of OCT No. M-4559 in the name of Dionisio in their answer to the complaint filed by the respondents for recovery of possession of the subject property; it is a collateral attack to the validity of OCT No. M-4559, which the RTC and the CA aptly disregarded.

Third Issue: *Laches*

Equally untenable is the petitioners' claim that the respondents' right to recover the possession of the subject property is already barred by *laches*. As owners of the subject property, the respondents have the right to recover

²⁵ *Heirs of Jose Maligaso, Sr. v. Encinas*, G.R. No. 182716, June 20, 2012, 674 SCRA 215, 221.

²⁶ *Co v. Militar*, 466 Phil. 217, 224 (2004).

the possession thereof from any person illegally occupying their property. This right is imprescriptible. Assuming *arguendo* that the petitioners indeed have been occupying the subject property for a considerable length of time, the respondents, as lawful owners, have the right to demand the return of their property at any time as long as the possession was unauthorized or merely tolerated, if at all.

Jurisprudence consistently holds that “prescription and laches can not apply to registered land covered by the Torrens system” because “under the Property Registration Decree, no title to registered land in derogation to that of the registered owner shall be acquired by prescription or adverse possession.”²⁷

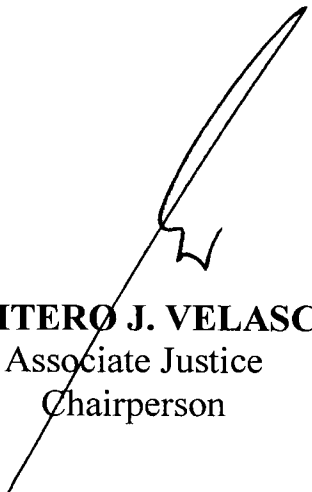
WHEREFORE, in consideration of the foregoing disquisitions, the petition is **DENIED**. The Decision dated July 2, 2009 and Resolution dated January 27, 2010 of the Court of Appeals in CA-G.R. SP No. 106064 are hereby **AFFIRMED**.

SO ORDERED.




BIENVENIDO L. REYES
Associate Justice

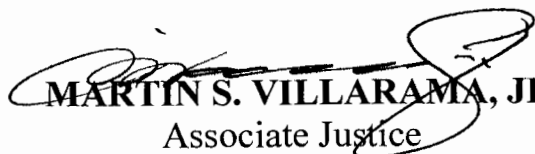
WE CONCUR:




PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

²⁷ *Jakosalem v. Barangan*, G.R. No. 175025, February 15, 2012, 666 SCRA 138, 150.



DIOSDADO M. PERALTA
Associate Justice


MARTIN S. VILLARAMA, JR.
Associate Justice


FRANCIS H. JARDELEZA
Associate Justice

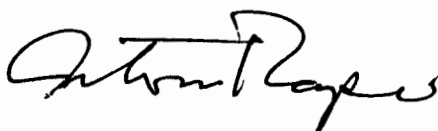
A T T E S T A T I O N

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.


PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

C E R T I F I C A T I O N

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.


ANTONIO T. CARPIO
Acting Chief Justice