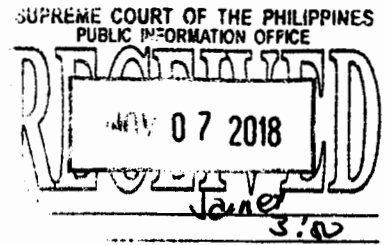




Republic of the Philippines
Supreme Court
Manila



FIRST DIVISION

PABLO B. MALABANAN,
Petitioner,

G.R. No. 201821

Present:

- versus -

LEONARDO-DE CASTRO, C.J.,
Chairperson,
BERSAMIN,
DEL CASTILLO,
TIJAM, and
***REYES, J., JR., JJ.**

REPUBLIC OF THE PHILIPPINES,
Respondent.

Promulgated:

SEP 19 2018

x-----x

DECISION

BERSAMIN, J.:

The action for the reversion of land initiated by the State is not directed against the judgment of the Land Registration Court but against the title. Hence, jurisdiction is vested in the Regional Trial Court of the province or city where the land involved is located.

The Case

The registered owner appeals the decision promulgated on May 27, 2011,¹ whereby the Court of Appeals reversed and set aside the order issued on December 11, 1998 by the Regional Trial Court (RTC), Branch 83, in Tanauan, Batangas dismissing the action for reversion of land and cancellation of title instituted by the Republic of the Philippines (Republic),

* Vice Associate Justice Francis H. Jardeleza, who inhibited due to his prior participation as the Solicitor General, per the raffle of September 12, 2018.

¹ *Rollo*, pp. 22-31; penned by Associate Justice Vicente S.E. Veloso, and concurred in by Associate Justice Francisco P. Acosta and Associate Justice Angelita A. Gacutan.

through the Office of the Solicitor General (OSG), docketed as Civil Case No. C-192.²

Antecedents

The Republic commenced Civil Case No. C-192 against Angelo B. Malabanan, Pablo B. Malabanan (petitioner herein), and Greenthumb Realty and Development Corporation (Greenthumb), the registered owners of various parcels of land covered by certificates of title derived from Transfer Certificate of Title (TCT) No. T-24268 of the Registry of Deeds of Batangas.

The Republic alleged that TCT No. T-24268 had emanated from Original Certificate of Title (OCT) No. 0-17421 of the Registry of Deeds of Batangas, which was purportedly issued pursuant to Decree No. 589383 in L.R.A. Record No. 50573; that upon verification, the Land Registration Authority could not find any copy of the judgment rendered in LRC Record No. 50573; and that the tract of land covered by TCT No. T-24268, being within the unclassified public forest, remained part of the public domain that pertained to the State and could not be the subject of disposition or registration.³

In response, the petitioner moved to dismiss Civil Case No. C-192 by arguing that the RTC had no jurisdiction over the action because it sought the annulment of the judgment and the decree issued in LRC Record No. 50573 by the Court of First Instance the jurisdiction over which pertained to the Court of Appeals (CA).⁴

The Republic opposed the motion to dismiss, insisting that its complaint did not ask the RTC to annul a judgment because the judgment supposedly rendered in LRC Record No. 50573 did not exist to begin with.⁵

On December 11, 1998, the RTC granted the motion to dismiss,⁶ stating as follows:

The motion is meritorious.

A similar complaint for reversion to the public domain of the same parcel of land was filed with this Court on July 14, 1997 by plaintiff

² Id. at 23.

³ Id. at 49.

⁴ Id. at 75.

⁵ Id. at 53.

⁶ Id. at 26.

against defendants-movants. The case, docketed as Civil Case No. T-784 was dismissed on December 7, 1992 for lack of jurisdiction.

As pointed out by the movants, the nullification of Original Certificate of Title No. 0-17421 and all its derivative titles would involve the nullification of the judgment of the Land Registration Court which decreed the issuance of the title over the property. Therefore, the applicable provision of law is Section 9 (2) of Batas Pambansa Blg. 129 which vests upon the Court of Appeals exclusive jurisdiction over actions for annulment of judgments of the Regional Trial Courts.

Moreover, this Court is aware, and takes judicial notice, of the fact that the parcels of land, subject of reversion had been the subject of several cases before this court concerning the ownership and possession thereof by defendant-movants. These cases were even elevated to the Court of Appeals and the Supreme Court which, in effect upheld the ownership of properties by defendants Malabanans. Said decisions of this Court, the Court of Appeals and the Supreme Court should then be annulled.⁷

After the Republic filed its notice of appeal.⁸ The defendants (including the petitioner) moved that the RTC deny due course to the notice of appeal on the ground that the mode of appeal adopted was improper because the issue of jurisdiction, being a question of law, was directly cognizable by the Supreme Court on appeal by petition for review on *certiorari*.⁹

On June 29, 1999, the RTC denied due course to the Republic's notice of appeal, and dismissed the appeal.¹⁰

The Republic assailed the order of June 29, 1999 in the CA by petition for *certiorari* (CA-G.R. No. SP No. 54721), alleging that the RTC thereby gravely abused its discretion amounting to lack or excess of its jurisdiction.

The CA promulgated its ruling of February 29, 2000 to the effect that the determination of whether or not an appeal could be dismissed on the ground that the issue involved was a pure question of law was exclusively lodged in the CA as the appellate court; and that the RTC should have given due course to the appeal, and transmitted the original records to the CA.¹¹

⁷ Id. at 26-27.

⁸ Id. at 52.

⁹ Id. at 54-55.

¹⁰ Id. at 51.

¹¹ See *Republic v. Malabanan*, G.R. No. 169067, October 6, 2010, 632 SCRA 338, 342.

On May 27, 2011, the CA, resolving the appeal of the Republic on the merits, set aside the order issued by the RTC on December 11, 1998,¹² and disposed as follows:

WHEREFORE, the appeal is **GRANTED**. The assailed December 11, 1998 Order of the RTC is **SET ASIDE** and the case is consequently **REMANDED** to the RTC with the directive that all defendants-appellees be required to file their respective responsive pleading, and to thereafter proceed with the trial on the merits as well as the resolution of the case with dispatch.

No costs.

SO ORDERED.¹³

The CA explained as follows:

The Republic insists that it “cannot be precluded from availing the remedy of an action for reversion in order to revert lands of the public domain, such as the parcel of land covered by OCT No. 0-17421 which was improperly titled in the name of private person to its patrimony.” and over which the RTC exercises exclusive original jurisdiction. It claims that the DENR found that the land covered by TCT No. 24268 is within the unclassified public forest of Batangas per Land Classification CM No. 10, thereby making the subject property not capable of private ownership nor of disposition, or registration.

We agree.

It is settled that jurisdiction of courts over the subject matter of the litigation is conferred by law and determined by the allegations in the complainant.

Here, the Republic alleges that upon an investigation by the DENR, the subject property was found to be situated within the **unclassified public forest of Batangas**, thereby rendering it inalienable. More so that the defendants-appellees’ title over the property emanated from an original certificate of title, whose decree of registration and upon which it was based, is not therefore null and void.

Under Section 101 of Commonwealth Act No. 141, or the Public land Act, viz.:

“**Section 101.** All actions for the reversion to the Government of lands of the public domain or improvements thereon shall be instituted by the Solicitor General or the officer acting in his stead, in the proper courts, in the name of the [Republic of the Philippines].”

¹² Supra note 1.

¹³ Rollo, p. 30.

Stated differently, **where a parcel of land considered to be inalienable land of the public domain is found under private ownership, the Government is allowed by law to file an original action for reversion, an action where the ultimate relief sought is to revert the land to the government pursuant to the Regalian Doctrine, and over which action, no doubt, the RTC exercise exclusive jurisdiction.**

Besides, inasmuch as the allegations in the April 30, 1998 Motion to Dismiss raised matters which require presentation of evidence and determination of facts, said allegations are consequently best resolved in a trial on the merits, and not in a motion to dismiss. It thus behooved the RTC to assume jurisdiction over the Republic's action for reversion, calibrate all the evidence that both parties will present in the trial, and determine whether Republic's pieces of evidence indeed prove its contention that the subject property is part of the public domain.¹⁴

On May 4, 2012, the CA denied the petitioner's motion for reconsideration for its lack of merit.¹⁵

Hence, this appeal.

Issues

The petitioner insists that the CA erred: (1) in setting aside the order of the RTC for the dismissal of Civil Case No. C-192; and (2) in directing the RTC to proceed with the trial on the merits as well as the resolution of Civil Case No. C-192 with dispatch.

The petitioner argues that the action to annul OCT No. 0-17421 and its derivative certificates of title necessarily related to the final judgment of the Land Registration Court; and that conformably with the rulings in *Estate of the Late Jesus S. Yujuico v. Republic*,¹⁶ *Collado v. Court of Appeals*,¹⁷ and *Republic v. Court of Appeals*,¹⁸ the Republic should lodge its complaint for annulment of judgment in the CA pursuant to Rule 47 of the *Rules of Court*.

The Republic counters that it is not seeking hereby the annulment of the judgment from which Decree No. 589383 was derived inasmuch as such judgment did not exist; and that the action for reversion and cancellation of title was definitely within the jurisdiction of the RTC.¹⁹

¹⁴ Id. at 28-30.

¹⁵ Id. at 40.

¹⁶ G.R. No. 168661, October 26, 2007, 537 SCRA 513, 528-529.

¹⁷ G.R. No. 107764, October 4, 2002, 390 SCRA 343, 351.

¹⁸ G.R. No. 126316, June 25, 2004, 432 SCRA 593, 597.

¹⁹ *Rollo*, pp. 56-65.

Should Civil Case No. C-192 be considered an action to annul the judgment of the Land Registration Court?

Ruling of the Court

The appeal lacks merit.

The basic rule is that the jurisdiction of a court over the subject matter is determined from the allegations in the complaint,²⁰ the law in force at the time the complaint is filed, and the character of the relief sought, irrespective of whether the plaintiff is entitled to all or some of the claims averred.²¹ Jurisdiction over the subject matter is not affected by the pleas or the theories set up by the defendant in the answer or motion to dismiss;²² otherwise, jurisdiction becomes dependent almost entirely upon the whims of the defendant.²³

The complaint in Civil Case No. C-192 alleged that: (a) TCT No. T-24268 had emanated from OCT No. 0-17421 of the Registry of Deeds of Batangas pursuant to Decree No. 589383, issued in L.R.C. Record No. 50573; (b) copy of the decision in L.R.C. Record No. 50573 could not be found in the files of the Land Registration Authority; (c) the land described in TCT No. T-24268 was within the unclassified public forest of Batangas; (d) TCT No. T-24268 was subdivided into four lots that were covered by TCT No. T-24386, TCT No. T-24387, TCT No. T-24388 and TCT No. T-24389; (e) the land covered by TCT No. T-24386 was in turn subdivided into 92 lots registered in the name of Greenthumb Realty and Development Corporation; (f) the lands covered by TCT No. T-24387 and TCT No. T-24388 were now subdivided into nine lots each all in the name of the Malabanans (including herein petitioner); and (g) TCT No. T-24389 remained in the name of the Malabanans.

The complaint sought as reliefs the cancellation of OCT No. 0-17421, and the reversion to the Republic of the tract of land therein covered on the grounds that there had been no decision of the Land Registration Court authorizing its issuance, and that the land covered by TCT No. 24268 was within the unclassified public forest of Batangas.

We find and declare that the complaint of the Republic was not seeking the annulment of the judgment issued in L.R.C. Record No. 50573.

²⁰ *Arzaga v. Copias*, G.R. No. 152404, March 28, 2003, 400 SCRA 148, 154.

²¹ *Padlan v. Dinglasan*, G.R. No. 180321, March 20, 2013, 694 SCRA 91, 98-99.

²² *Sta. Clara Homes Owners' Association v. Gaston*, G.R. No. 141961, January 23, 2002, 374 SCRA 396, 409.

²³ *Commart (Phils.), Inc. v. Securities and Exchange Commission*, G.R. No. 85318, June 3, 1991, 198 SCRA 73, 81.

The factual setting in *Republic v. Roman Catholic Archbishop of Manila*²⁴ is similar to that in Civil Case No. C-192. Therein, the Republic filed a complaint for cancellation of titles and reversion of OCT No. 588 supposedly issued pursuant to Decree No. 57486 because OCT No. 588 did not cover the lots described in Decree No. 57486. In resolving whether or not the RTC had jurisdiction over the action for cancellation of titles and reversion, the Court observed and held:

It is axiomatic that the nature of an action and whether the tribunal has jurisdiction over such action are to be determined from the material allegations of the complaint, the law in force at the time the complaint is filed, and the character of the relief sought irrespective of whether the plaintiff is entitled to all or some of the claims averred. Jurisdiction is not affected by the pleas or the theories set up by defendant in an answer to the complaint or a motion to dismiss the same.

In the present case, the material averments, as well as the character of the relief prayed for by petitioners in the complaint before the RTC, show that their action is one for cancellation of titles and reversion, not for annulment of judgment of the RTC. The complaint alleged that Lot Nos. 43 to 50, the parcels of land subject matter of the action, were not the subject of the CFI's judgment in the relevant prior land registration case. Hence, petitioners pray that the certificates of title of RCAM be cancelled which will not necessitate the annulment of said judgment. Clearly, Rule 47 of the Rules of Court on annulment of judgment finds no application in the instant case.

The RTC may properly take cognizance of reversion suits which do not call for an annulment of judgment of the RTC acting as a Land Registration Court. Actions for cancellation of title and reversion, like the present case, belong to the class of cases that "involve the title to, or possession of, real property, or any interest therein" and where the assessed value of the property exceeds ₱20,000.00, fall under the jurisdiction of the RTC. Consequently, no grave abuse of discretion excess of jurisdiction can be attributed to the RTC in denying RCAM's motion to dismiss.²⁵

The rulings in *Estate of the Late Jesus S. Yujuico v. Republic*,²⁶ *Collado v. Court of Appeals*²⁷ and *Republic v. Court of Appeals*²⁸ the petitioner cited and relied upon have no relevance herein. Therein, the Republic had instituted actions for the annulment of judgment, not actions for the cancellation and reversion of title, like what happened herein. The Republic recognized therein that the land titles subject of each action had been issued pursuant to final judgments rendered by the Land Registration

²⁴ G.R. No. 192975 and 192994, November 12, 2012, 685 SCRA 216.

²⁵ Id. at 222-223.

²⁶ Supra note 16.

²⁷ Supra note 17.

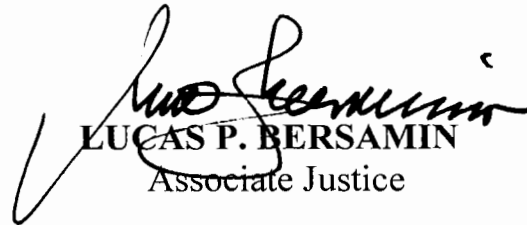
²⁸ Supra note 18.

Court, and that such judgments must necessarily be first invalidated before the lands involved could revert to the public domain. In contrast, the Republic alleges herein that no judgment had ever existed.


In a reversion suit, we should emphasize, the attack is directed not against the judgment ordering the issuance of title, but against the title that is being sought to be cancelled either because the judgment was not validly rendered, or the title issued did not faithfully reflect the land referred to in the judgment,²⁹ or because no judgment was rendered at all.

WHEREFORE, the Court **DENIES** the petition for review on *certiorari*; **AFFIRMS** the decision promulgated on May 27, 2011 in CA-G.R. CV No. 70770; and **ORDERS** the petitioner to pay the costs of suit.

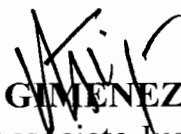
SO ORDERED.



LUCAS P. BERSAMIN
Associate Justice

WE CONCUR:


TERESITA J. LEONARDO-DE CASTRO
Chief Justice
Chairperson


MARIANO C. DEL CASTILLO
Associate Justice


NOEL GIMENEZ TIJAM
Associate Justice


JOSE C. REYES, JR.
Associate Justice

²⁹ Supra note 24, at 222.

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.

Teresita Leonardo de Castro
TERESITA J. LEONARDO-DE CASTRO
Chief Justice

LIBRADA C.