



Republic of the Philippines
 Supreme Court
 Manila

CERTIFIED TRUE COPY
Wilfredo V. Lapijan
 WILFREDO V. LAPYAN
 Division Clerk of Court
 Third Division

OCT 10 2018.

THIRD DIVISION

SPOUSES FRANCISCO and DELMA SANCHEZ, represented by HILARIO LOMBOY,

Petitioners,

- versus -

ESTHER DIVINAGRACIA VDA. DE AGUILAR, TERESITA AGUILAR, ZENAIDA AGUILAR, JUANITO AGUILAR, JR., AMALIA AGUILAR, and SUSAN AGUILAR, THE MUNICIPALITY of LAKE SEBU, represented by its Mayor, BASILIO SALIF, NOEMI DUTA D. DALIPE in her capacity as ZONING OFFICER II, ZALDY B. ARTACHO, in his capacity as CHAIRMAN AD HOC COMMITTEE ON LAND CONFLICT, HON. RENATO TAMPAC, in his capacity as PRESIDING JUDGE of the 6TH MUNICIPAL CIRCUIT TRIAL COURT OF SURALLA-LAKE SEBU,
 Respondents.

G.R. No. 228680

Present:

PERALTA, J., *Chairperson*,
 LEONEN,
 REYES, A., JR.,*
 GESMUNDO, and
 REYES, J., JR., *JJ.*

Promulgated:

September 17, 2018

Wilfredo V. Lapijan

X-----X

DECISION

PERALTA, J.:

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision¹ dated

* Designated additional member per Special Order No. 2588 dated August 28, 2018.

¹ Penned by Associate Justice Maria Filomena D. Singh, with Associate Justices Edgardo A. Camello and Perpetua T. Atal-Paño, concurring; *rollo*, pp. 22-34.

OK

July 28, 2016 and the Resolution² dated October 10, 2016 of the Court of Appeals (CA) in CA-G.R. CV No. 03481-MIN, which reversed and set aside the Decision³ dated July 8, 2013 of the Regional Trial Court (RTC) of Surallah, South Cotabato, in Civil Case No. 1029-LS.

The antecedent facts are as follows:

On July 11, 2000, Juanito Aguilar sold to petitioner spouses Francisco and Delma Sanchez (*Spouses Sanchez*) a 600-square-meter portion of his 33,600-square meter lot identified as Lot No. 71, Pls 870, located in the Municipality of Lake Sebu, South Cotabato. On October 23, 2004, the heirs of Juanito Aguilar, namely, respondents Esther Divinagracia Vda. de Aguilar, Juanito's spouse, and their children, fenced the boundary line between the 600-square-meter lot of the spouses and the alleged alluvium on the northwest portion of the land by the lake Sebu. The Spouses Sanchez protested the act of fencing by Esther before the *barangay*, but since no settlement was reached, they filed a Complaint for Forcible Entry against the heirs of Aguilar before the Municipal Circuit Trial Court (MCTC) of Surallah-Lake Sebu, Province of South Cotabato. They claimed that under the law, they are the owners of the alluvium which enlarged their 600-square-meter lot. It cannot, therefore, be fenced by the heirs of Aguilar. For their part, the heirs refute the existence of the alluvium. They assert that the "alluvium" referred to is the 800-square-meter area beyond the 600-square-meter lot of the spouses which has been in their actual possession but was used, with their tolerance, by the spouses in connection with their operation of fish cages in that portion of Lake Sebu abutting their lot.⁴

On June 7, 2006, the MCTC rendered a Decision dismissing the complaint of the Spouses Sanchez. It held that the spouses failed to controvert the prior actual physical possession of the heirs which was manifested by the improvements found in the subject lot area consisting of 4 mahogany trees of about 12 to 26 years old, 1 lanzones tree of the same age, 2 coconut trees of about 30 years old, and other unidentified trees of about the same age. But since the spouses purchased the 600-meter land adjacent to the land in question only on July 11, 2000, they could not have been in possession thereof ahead of the heirs of Aguilar. Thus, the heirs are the ones in actual possession of the subject property and cannot be held liable for forcible entry by stealth as alleged by the Spouses Sanchez. They merely protected their interests in manifesting the metes and bounds of the area purchased from them by placing the bamboo fence. In addition, the MCTC was unconvinced with the spouses' contention that the subject land is an alluvium. An alluvium is an area formed by running water like a river or a creek. But in a lake like the subject Lake Sebu, the water is stagnant. Thus,

² *Id.* at 40-42.

³ Penned by Judge Roberto L. Ayco; *id.* at 43-53.

⁴ *Rollo*, pp. 23-24.

AY

the land in question is a natural surrounding of the lake which existed at the same time with the lake itself. Moreover, the MCTC pointed out that the subject land is 800 square meters in size which is greater than the area purchased by the spouses so if there could be a legal claimant, it is the government of Lake Sebu as foreshore or salvage zone for public use. Finally, on the conflicting description of the deed of sale which states that the property is 600 square meters or 20 x 30 meters, on the one hand, and boundary on the SW by the lake, on the other, the court held that the former should prevail as the same is the clearer intention of the spouses.⁵

On May 27, 2008, the MCTC issued a Writ of Execution ordering the Sheriff to execute its June 7, 2006 Decision by setting, defining, and/or fixing the boundaries of the respective properties of the parties according to the following description in the Deed of Sale: "A 600-square-meter portion of Lot 21, Pls 870 in Lake Sebu, South Cotabato with dimension of 20 meters along the national highway and depth of 30 meters in rectangular shape. Bounded on the SE by national highway; on the NW by Lake Sebu; on the NE by Lot 71, Pls 870 port; on the SW by Lot 71, Pls 870 port."⁶ In implementing the same, the MCTC authorized the Sheriff to engage the services of professional surveyors, if necessary. In his Report dated August 26, 2008, however, the Sheriff stated that he discontinued the execution because when the surveyor measured the national highway at 60 meters wide, Esther objected and claimed that the width of said highway is only 30 meters. Said disagreement as to the width of the highway was submitted to the MCTC, which adopted the findings of the District Engineer's Office that the width thereof is 58.53 meters. Based on said measurement, monuments were set on both sides of the highway to determine the area of the spouses' 600-square-meter property. Thus, using the national highway as reference point, the Sheriff adopted the plan prepared by the geodetic engineer showing that the edge or boundary line of the 600-square-meter lot of the spouses in the northwest direction is the 20-square-meter wide public easement abutting Lake Sebu.

Nevertheless, the spouses received a Notice dated February 17, 2009 from the Zoning Section of the Municipality of Lake Sebu informing them that based on the findings of its own survey team, the "150-square-meter" lot along Lake Sebu is owned by the heirs of Aguilar. Thus, in accordance with Section 5(g) of the Zoning Ordinance of the Municipality of Lake Sebu, the privilege on the utilization of the municipal waters shall be given first priority to the legal owner of the land alongside the lake unless otherwise waived by him to others.⁷ In another Notice dated March 10, 2009, the Municipality directed the spouses to demolish their fish cages or refer the case to the *Ad Hoc* Committee on Lake Sebu Water Dispute. But after the referral, said Committee ruled in its Decision dated June 19, 2009 that the

⁵ *Id.* at 24-25.

⁶ *Id.* at 25.

⁷ *Id.* at 26.



land area in excess of the 600-square-meter property purchased by the spouses belongs to the heirs of Aguilar. As such, said heirs have priority to utilize the lake waters abutting the land.⁸

On May 22, 2010, the spouses filed a Complaint for Annulment of Judgment with Prayer for the Issuance of a Temporary Restraining Order and Preliminary Injunction and Damages before the RTC seeking to annul the June 7, 2006 Decision of the MCTC for lack of jurisdiction over the subject matter or for rendering judgment over a non-existent parcel of land since there is no excess of the 600-square-meter portion to speak of.⁹

On July 8, 2013, the RTC granted the spouses' complaint and annulled the June 7, 2006 MCTC Decision. It rendered erroneous and without legal basis the findings of the MCTC that there is a portion of land between the 600-square-meter lot and the lake in the following manner:

The record of this case shows that when the writ of execution of the decision rendered by the court *a quo* in the forcible entry case filed thereat by plaintiffs (spouses Sanchez) was implemented, the parties did not agree as to the point of reference when the survey was conducted in order to establish the 600-square-meter area bought by plaintiffs (spouses Sanchez) from the defendants (heirs of Aguilar). Thus, the court *a quo* directed the District Engineer's Office of South Cotabato to fix the width of the national highway in order to serve as the point of reference in locating the 600-square-meter area. The said Office of the District Engineer found that the width of the national highway is 58.53. **It must be remembered that when the implementing sheriff had the area surveyed, the surveyor told them that the width of the national highway is sixty meters, while the defendants (heirs of Aguilar) insisted that it is only thirty (30) meters. As explained in his Report, the implementing sheriff informed the court that if the sixty-meters width of the national highway is made as a point of reference, the lot of the plaintiffs will go downwards to the lake. Considering then that the width of the national highway was found by the District Engineer's Office to have measured 58.53 meters, or almost sixty (60) meters, the length of the lot in question therefore must have reached the edge of the lake. Except however for the easement that the landowner has the obligation to follow, the lot allegedly claimed by the defendants (heirs of Aguilar) as alluvium has no basis because the 600-square-meter area purchased by the plaintiffs (spouses Sanchez) from them went downwards to the lake by reason of the 58.53 width of the national highway. The defendants (heirs of Aguilar) could not include the area which is part of the national highway in the 600-square-meter lot they sold to the plaintiffs (spouses Sanchez), thus, inevitably, if there is any alluvium that was formed at the back portion of the lot abutting the lake, it is part or accessory of the lot sold to the plaintiffs (spouses Sanchez) by them.**

The notice, therefore, sent by the Zoning Office of the Municipality of Lake Sebu for the plaintiffs (spouses Sanchez) to demolish the fish cages

⁸ *Id.*

⁹ *Id.* at 27.



built by them and to remove any improvement put up by them in the area abutting their lot, is not proper and no basis in view of the findings of this court that it is the plaintiffs (spouses Sanchez) who are the legitimate owners of the alleged lot formed by said alluvium, if there is any. **Considering likewise the findings of this court that there is no more lot abutting the lake waters except that of the plaintiffs (spouses Sanchez) by reason of the findings of the width of the national highway by the District Engineer's Office, which is and should be the point of reference, plaintiffs are declared the legal owners of the said lot in question as it is part of the 600 square meters bought by them from the defendants (heirs of Aguilar).**¹⁰

On July 28, 2016, however, the CA reversed and set aside the RTC Decision. *First*, the appellate court ruled that the MCTC Decision cannot be annulled on the ground of lack of jurisdiction over the subject matter of the case. It is clear that the MCTC acquired jurisdiction over the persons of the Spouses Sanchez as they are the ones who filed the forcible entry complaint before said court. As to the nature of the action, the MCTC likewise had jurisdiction since under the law, it exercises exclusive original jurisdiction over ejectment suits.¹¹ And, *second*, the CA held that the spouses' complaint is already barred by laches since it was only on May 22, 2010, or 4 years after the issuance of the June 7, 2006 MCTC Decision that the spouses filed their complaint for annulment. In fact, the challenged decision had already been executed more than a year prior to the filing of the complaint. Thus, the spouses' action must necessarily be dismissed.¹²

Furthermore, in a Resolution dated October 10, 2016, the CA rejected the contention of the Spouses Sanchez that the appeal of the heirs of Aguilar must be denied since their counsel failed to comply with the MCLE requirements. Under *En Banc* Resolution dated January 14, 2014, the failure of a lawyer to indicate in his or her pleadings the number and date of issue of his or her MCLE Certificate of Compliance will no longer result in the dismissal of the case and expunction of the pleadings from the records. Nonetheless, failure will subject the lawyer to disciplinary action.¹³

On January 26, 2017, the Spouses Sanchez filed the instant petition essentially insisting that the ruling of the RTC must be upheld in view of the findings of the Sheriff that since the width of the national highway is almost 60 meters wide, the lot of the spouses must have gone downwards towards the lake, and thus any portion of land beside said lake must be considered as part of the land purchased by the spouses from Aguilar.

The petition is bereft of merit.

¹⁰ *Id.* at 50-51. (Emphasis supplied)

¹¹ *Id.* at 31.

¹² *Id.* at 32-33.

¹³ *Id.* at 41.

Time and again, the Court has ruled that a petition for annulment of judgment is a remedy in equity so exceptional in nature that it may be availed of only when other remedies are wanting, and only if the judgment, final order or final resolution sought to be annulled was rendered by a court lacking jurisdiction or through extrinsic fraud.¹⁴ Its objective is to undo or set aside the judgment or final order, and thereby grant to the petitioner an opportunity to prosecute his cause or to ventilate his defense. Being exceptional in character, it is not allowed to be so easily and readily abused by parties aggrieved by the final judgments, orders or resolutions. Thus, the Court has instituted safeguards by limiting the grounds for the annulment to lack of jurisdiction and extrinsic fraud, and by prescribing in Section 1 of Rule 47 of the Rules of Court that the petitioner should show that the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available through no fault of the petitioner.¹⁵ In this regard, if the ground relied upon is lack of jurisdiction, the entire proceedings are set aside without prejudice to the original action being refiled in the proper court. If the judgment or final order or resolution is set aside on the ground of extrinsic fraud, the CA may on motion order the trial court to try the case as if a timely motion for new trial had been granted therein.¹⁶

In the instant case, the Spouses Sanchez anchored their Complaint for Annulment of Judgment on the alleged lack of jurisdiction of the MCTC. Jurisdiction is the power and authority of the tribunal to hear, try and decide a case¹⁷ and the lack thereof refers to either lack of jurisdiction over the person of the defending party or over the subject matter of the action. Lack of jurisdiction or absence of jurisdiction presupposes that the court should not have taken cognizance of the complaint because the law or the Constitution does not vest it with jurisdiction over the subject matter. On the one hand, jurisdiction over the person of the defendant or respondent is acquired by voluntary appearance or submission by the defendant/respondent to the court, or by coercive process issued by the court to such party through service of summons. On the other hand, jurisdiction over the subject matter of the claim is conferred by law and is determined by the allegations of the complaint and the relief prayed for. Thus, whether the plaintiff is entitled to recovery upon all or some of the claims prayed therein is not essential. Jurisdiction over the subject matter is conferred by the Constitution or by law and not by agreement or consent of the parties. Neither does it depend upon the defenses of the defendant in his/her answer or in a motion to dismiss.¹⁸

¹⁴ *Pinasukan Seafood House, Roxas Blvd., Inc. v. Far East Bank & Trust Company (now Bank of the Philippine Islands), et al.*, 725 Phil. 19, 31 (2014).

¹⁵ *Id.* at 32.

¹⁶ *Id.*

¹⁷ *Veneracion v. Mancilla, et al.*, 528 Phil. 309, 325 (2006).

¹⁸ *Id.*



Here, the Court agrees with the appellate court that the MCTC had both jurisdictions over the person of the defendant or respondent and over the subject matter of the claim. On the former, it is undisputed that the MCTC duly acquired jurisdiction over the persons of the spouses Sanchez as they are the ones who filed the Forcible Entry suit before it. On the latter, Republic Act No. 7691 (*R.A. No. 7691*) clearly provides that the proper Metropolitan Trial Court (MeTC), MTC, or Municipal Circuit Trial Court (MCTC) has exclusive original jurisdiction over ejectment cases, which includes unlawful detainer and forcible entry.¹⁹

Despite this, the Spouses Sanchez insist that the MCTC could not have had jurisdiction over the disputed land area in excess of their 600-square-meter lot. This is because since the District Engineer's Office found that the width of the national highway is almost 60 meters wide, the edge of their 600-square-meter lot must have gone downwards and necessarily reached the edge of the 20-meter wide public easement abutting the Lake Sebu. Thus, the heirs of Aguilar could not have been in "actual physical possession" of a non-existent lot for the disputed area belongs to them. The Court, however, is not convinced. As duly noted by the CA, the area beyond the 600-square-meter lot abutting Lake Sebu, whether it is a lot claimed to be in "actual physical possession" of the heirs of Aguilar or a public easement, refers to the "alluvium" lot area claimed by the Spouses Sanchez as their own in their forcible entry complaint. It is clear, therefore, that the MCTC had jurisdiction over the subject matter, which, in this case, is the 600-square-meter lot and its alleged alluvium.

It bears stressing, moreover, that the Spouses Sanchez explicitly brought the subject matter to the jurisdiction of the MCTC. They cannot now deny such jurisdiction simply because said court did not rule in their favor. The Court has consistently ruled that *jurisdiction* is not the same as the *exercise of jurisdiction*. As distinguished from the exercise of jurisdiction, jurisdiction is the authority to decide a cause, and not the decision rendered therein. Where there is jurisdiction over the person and the subject matter, the decision on all other questions arising in the case is but an exercise of the jurisdiction. And the errors which the court may commit in the exercise of jurisdiction are merely errors of judgment which are the proper subject of an appeal.²⁰

Thus, the issue of whether the MCTC erred in dismissing the forcible entry complaint, ruling that the heirs of Aguilar were in actual physical possession over the subject property should have been raised by the Spouses Sanchez in an appeal before the RTC. But as the records reveal, the spouses did not do anything to question the decision of the MCTC, merely allowing

¹⁹ *Regalado v. De La Pena, et al.*, G.R. No. 202448, December 13, 2017.

²⁰ *Antonino v. Register of Deeds of Makati City*, 688 Phil. 527, 540 (2012), citing *Tolentino v. Judge Leviste*, 485 Phil. 661, 674 (2004).



the same to attain finality. In fact, the sheriff had already started its execution. Moreover, without even providing any explanation for their delay, it was only on May 22, 2010, or four (4) years after the issuance of the MCTC ruling on June 7, 2006, that the spouses filed the instant Complaint for Annulment of Judgment. On this matter, the Court must emphasize that an action for annulment of judgment based on lack of jurisdiction must be brought before the same is barred by laches or estoppel.²¹ On the one hand, laches is the failure or neglect for an unreasonable and unexplained length of time to do that which by exercising due diligence could nor should have been done earlier; it is negligence or omission to assert a right within a reasonable time, warranting a presumption that the party entitled to assert it either has abandoned it or declined to assert it. On the other hand, estoppel precludes a person who has admitted or made a representation about something as true from denying or disproving it against anyone else relying on his admission or representation.²² To the Court, the failure on the part of the Spouses Sanchez to file either an appeal of the MCTC Decision or the instant complaint for annulment of judgment for an unreasonable and unexplained length of time, four (4) years to be exact, despite receiving notice and knowledge of the said decision, constitutes laches that necessarily barred their cause.

Indeed, the attitude of judicial reluctance towards the annulment of a judgment, final order or final resolution is understandable, for the remedy disregards the time-honored doctrine of immutability and unalterability of final judgments, a solid cornerstone in the dispensation of justice by the courts. The doctrine of immutability and unalterability serves a two-fold purpose, namely: (a) to avoid delay in the administration of justice and, thus, procedurally, to make orderly the discharge of judicial business; and (b) to put an end to judicial controversies, at the risk of occasional errors, which is precisely why the courts exist. As to the first, a judgment that has acquired finality becomes immutable and unalterable and is no longer to be modified in any respect even if the modification is meant to correct an erroneous conclusion of fact or of law, and whether the modification is made by the court that rendered the decision or by the highest court of the land. As to the latter, controversies cannot drag on indefinitely because fundamental considerations of public policy and sound practice demand that the rights and obligations of every litigant must not hang in suspense for an indefinite period of time.²³

In the end, the Court deems it proper to note that an ejectment case, such as the forcible entry complaint filed before the MCTC below, is a summary proceeding designed to provide expeditious means to protect the actual possession or the right to possession of the property involved. The

²¹ *Pinasukan Seafood House, Roxas Blvd., Inc. v. Far East Bank & Trust Company (now Bank of the Philippine Islands)*, *supra* note 14, at 33.

²² *Id.* at 37.

²³ *Id.*



sole question for resolution in the case is the physical or material possession (possession *de facto*) of the property in question, and neither a claim of juridical possession (possession *de jure*) nor an averment of ownership by the defendant can outrightly deprive the trial court from taking due cognizance of the case. Hence, even if the question of ownership is raised in the pleadings, the court may pass upon the issue but only to determine the question of possession especially if the question of ownership is inseparably linked with the question of possession. The adjudication of ownership in that instance, however, is merely provisional, and will not bar or prejudice an action between the same parties involving the title to the property.²⁴

WHEREFORE, premises considered, the instant petition is **DENIED**. The assailed Decision dated July 28, 2016 and the Resolution dated October 10, 2016 of the Court of Appeals in CA-G.R. CV No. 03481-MIN are **AFFIRMED**.


SO ORDERED.




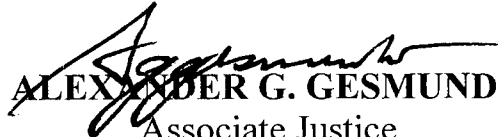
DIOSDADO M. PERALTA
Associate Justice


²⁴ *Quijano v. Atty. Amante*, 745 Phil. 40, 48-49 (2014).

WE CONCUR:


MARVIC M. V. F. LEONEN
 Associate Justice



ANDRES B. REYES, JR.
 Associate Justice


ALEXANDER G. GESMUNDO
 Associate Justice


JOSE C. REYES, JR.
 Associate Justice

ATTESTATION

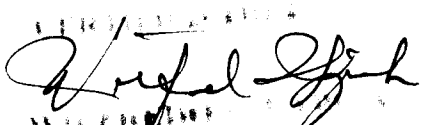
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


DIOSDADO M. PERALTA
 Associate Justice
 Chairperson, Third 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.


TERESITA J. LEONARDO-DE CASTRO
 Chief Justice


 COURT CLERK
 Third Division