



Republic of the Philippines
Supreme Court
Baguio City

EN BANC

HEIRS OF NICANOR GARCIA,
as represented by SPOUSES
JOSEFINA GARCIA-DOBLADA
and JOSE V. DOBLADA,
Petitioners,

G.R. No. 236173

Present:

GESMUNDO, *C.J.*,
LEONEN,
CAGUIOA,
HERNANDO,
LAZARO-JAVIER,
INTING,
ZALAMEDA,
LOPEZ, M.,
GAERLAN,
ROSARIO,
LOPEZ, J.,
DIMAAMPAO,
MARQUEZ,
KHO, JR., and
SINGH, *JJ.*

- versus -

SPOUSES DOMINADOR J.
BURGOS and PRIMITIVA I.
BURGOS, SPOUSES FILIP
GERARD V. BURGOS and
MARITES A. BURGOS, and
ESTER GABRIEL
DOMINGUEZ,
Respondents.

Promulgated:

April 11, 2023

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DECISION

INTING, *J.*:

For resolution is the Second Motion for Reconsideration (with Leave of *En Banc*)¹ of the Court's Decision² and Resolution³ promulgated

¹ Rollo, pp. 328-336.

² Id. at 242-253. Penned by Associate Justice Henri Jean Paul B. Inting and concurred in by Senior Associate Justice Estela M. Perlas-Bernabe (a retired Member of the Court) and Associate Justices Andres B. Reyes, Jr. (a retired Member of the Court), Ramon Paul L. Hernando, and Edgardo L. Delos Santos (a retired Member of the Court).

³ Id. at 324-325.

on March 4, 2020, and November 23, 2020, respectively, filed by the Heirs of Nicanor Garcia (Heirs).

The Antecedents

The present controversy stems from a Complaint⁴ for Reconveyance of Ownership, Possession and Property, Breach of Agreement/Undertaking, Cancellation of Titles, Nullity of Deeds of Sale, and Damages (Complaint) filed by the Heirs on June 2, 2016⁵ before Branch 7, Regional Trial Court (RTC), Malolos, Bulacan, docketed as Civil Case No. 325-M-2016. The disputed properties consist of six smaller lots, which had been a portion of an 8,115-square-meter (sq.m.) parcel of land, located in Brgy. Daungan, Guiguinto, Bulacan, belonging to a certain Fermina Francia (Fermina).⁶

In the Complaint, the Heirs alleged as follows: *First*, they are the children and successors-in-interest of Nicanor C. Garcia (Nicanor).⁷ *Second*, under a *Kasunduan Ukol sa Salinan ng Pamumuwisan sa Lupang Palayan*⁸ (*Kasunduan*), Fermina designated Nicanor as the legal transferee/legitimate tenant or *kasama* to possess, own, and cultivate the 8,115-sq.m. parcel of land.⁹ *Third*, Nicanor was in actual possession of the land and had cultivated it until his death on June 23, 2010.¹⁰ *Fourth*, Dominador Burgos (Dominador), herein respondent, was one of Nicanor's farm workers.¹¹ *Fifth*, later on, through fraudulent means, misrepresentation, deceit, and falsification of documents, unknown to Nicanor, Dominador caused the transfer of the 2,705-sq.m portion of the land leased from Fermina, the landowner, to himself. He further subdivided the disputed portion into smaller lots. *Sixth*, as early as 2004, Dominador began to dispose of, sell, or mortgage, these lots¹² that were subsequently registered in separate Transfer Certificates of Title (TCTs) under the names of respondents Dominador (Lot Nos. 815-C, 815-F, and 815-G), Ester Gabriel Dominguez (Ester) (Lot No. 815-B), and Filip Gerard V. Burgos (Lot Nos. 815-D and 185-E).¹³ *Seventh*, aggrieved, Nicanor filed a complaint against Dominador before their *barangay*. As a

⁴ Id. at 93-101.

⁵ Id. at 93.

⁶ Id. at 94-95.

⁷ Id. at 94.

⁸ Id. at 118.

⁹ Id. at 94.

¹⁰ Id.

¹¹ Id.

¹² Id. at 94-95.

¹³ Id. at 97.

result of the proceedings, the parties executed an Undertaking whereby Dominador agreed to return or reconvey those lots that have not been yet transferred to third parties at no cost to Nicanor.¹⁴ *Eighth*, Dominador failed to comply with the Undertaking and reasoned that he had no money to return the titles and/or reconvey the lots.¹⁵ *Ninth*, due to Dominador's actions, the Heirs were deprived of the use and fruits of the land.¹⁶

Thus, the Heirs prayed as follows:

WHEREFORE, it is most respectfully prayed that after due notice and hearing, a Decision be issued in favour of the plaintiff by -

1) Ordering the defendants to RECONVEY to the plaintiffs ("Heirs") the parcels of land covered by Transfer Certificate of Title issued by the Register of Deeds of Guiguinto, Bulacan with Nos. -

- (i) T-197871 (Lot No. 815-B)
- (ii) T-126116 (Lot No. 815-C)
- (iii) T-288493 (Lot No. 815-D)
- (iv) T-271761 (Lot No. 815-E)
- (v) T-126119 (Lot No. 815-F); and
- (vi) T-126120 (Lot No. 815-G)

2) In the alternative, DECLARING defendant Dominador Burgos guilty of Breach of Agreement/Undertaking thereby ORDERING the defendant Dominador Burgos to comply with the Agreement/Undertaking x x x by TRANSFER[R]RING ownership in the name of the plaintiff the four (4) titles x x x specifically, TCT Nos. T-126116, T-126117 (now T-288493), T-126119 and T-126120 x x x

3) ORDERING as null and void and to CANCEL the Deeds of Sale for the subject lots as well as the Transfer Certificate of Titles [*sic*] enumerated hereunder:

- (i) TCT No. T-126115 now T-197871 (Lot 815-B)
- (ii) TCT No. T-126116 (Lot 815-C)
- (iii) TCT No. T-126117 now T-288493 (Lot 815-D)
- (iv) TCT No. T-126118 now T-271761 (Lot 815-E)
- (v) TCT No. T-126119 (Lot 815-F); and
- (vi) TCT No. T-126120 (Lot 815-G)

4) ORDERING the defendants jointly and severally to PAY the amount of P100,000.00 Philippine Currency as Moral Damages and another P100,000.00 Philippine Currency as Exemplary Damages to

¹⁴ Id. at 96-97.

¹⁵ Id. at 97.

¹⁶ Id. at 98-99.

the plaintiffs; and to PAY attorney's fee of P50,000.00 and COSTS of the litigation.

A general relief just and equitable under the premises is likewise sought for.¹⁷ (Emphases omitted.)

On the other hand, Dominador raised the following affirmative defenses, which the RTC treated as grounds to dismiss the Complaint:

- 1) The present case is an agrarian dispute, thus, [the RTC] has no jurisdiction over this case;
- 2) Plaintiffs have no cause of action against the said defendants; and
- 3) There is no certificate to file action from the barangay;¹⁸

Dominador insisted that Fermina had transferred ownership over the disputed portion to him which allowed him to register the properties under his name.¹⁹

The RTC Orders

Initially, the RTC did not find merit on the grounds for dismissal²⁰ and even reasoned out that *the affirmative defense of lack of cause of action must be threshed out in a full blown trial.*²¹

While the pre-trial conference was scheduled on March 9, 2017,²² the RTC's first order was followed by successive motions and responsive pleadings filed by the parties.²³ *There is nothing in the rollo indicating that the case reached the pre-trial stage.*

Eventually, the RTC dismissed the case, viz.:

In view of the above premises, this court hereby GRANTS the Motion for Reconsideration of defendants spouses Dominador and

¹⁷ Id. at 99-100.

¹⁸ As culled from the RTC Order, id. at 72.

¹⁹ Id. at 18.

²⁰ See RTC Order dated January 20, 2017 issued by Presiding Judge Isidra A. Argafiosa-Maniego, id. at 72-76.

²¹ Id. at 75.

²² Id.

²³ Id. at 52.

Primitiva Burgos and **UPHOLDS the affirmative defenses of lack of cause of action** and prescription of defendant Ester Gabriel Dominguez.²⁴ (Emphases omitted and supplied.)

Stated differently, the RTC ruled that the Complaint had *no cause of action* considering that Nicanor was merely a tenant with respect to and not the owner of the disputed property. Thus, his successors-in-interest were not in a position to file an action for reconveyance.²⁵ More so, the provisions in the *Kasunduan* amount to an extinguishment and transmission of tenancy rights in Nicanor's favor as the new tenant of the property, and thus, the agreement should have been executed in a public document; and that based on the copy *attached as an annex to the Complaint*, the *Kasunduan* appears to be unnotarized.²⁶ Consequently, it is not valid and binding with respect to third parties and cannot be made the basis of the Complaint.²⁷

The RTC further ruled that prescription is a valid defense; that an action for reconveyance has a prescriptive period of 10 years; and that while the TCTs in relation to the disputed lots were issued on February 12, 1999,²⁸ the Heirs filed the case on June 2, 2016.²⁹

The RTC finally held that it is not the proper court to resolve the issue of breach of the Undertaking executed before the *barangay*: Enforcement of an amicable settlement or arbitration award of such nature is cognizable by the appropriate city or municipal court.³⁰

In view of the dismissal, the case did not proceed to trial.

The Heirs elevated the matter directly to the Court *via* a Petition for Review on *Certiorari*.³¹ The Court denied³² the petition and their subsequent motion for reconsideration³³ for lack of merit.

²⁴ Id. at 82.

²⁵ Id. at 81.

²⁶ Id. at 80.

²⁷ Id. at 81.

²⁸ Id.

²⁹ Id. at 12.

³⁰ Id. at 82.

³¹ Id. at 9-71.

³² The Court denied the Heirs' petition and subsequent motion for reconsideration in the Decision promulgated on March 4, 2020 and in the Minute Resolution dated November 23, 2020, respectively. Id. at 242-253 and 324-325.

³³ Id. at 261-288.

Undaunted, the Heirs now come before the Court *via* a second motion for reconsideration.³⁴ They maintain that the RTC's dismissal of the Complaint is "legally erroneous and capable of causing unwarranted and irremediable damage to [them]."³⁵

Respondent Ester filed a comment³⁶ on the second motion for reconsideration. The other respondents manifested³⁷ that they are adopting the arguments in the comment of Ester. Petitioners promptly filed a reply³⁸ thereto.

The Court's Ruling

The Court grants the present motion.

Verily, the general rule is that the second and subsequent motions for reconsideration are prohibited.³⁹ However, the Court *En Banc*, by exception and at its discretion, may entertain a second motion for reconsideration "in the higher interest of justice"⁴⁰ such as when "the assailed decision is legally erroneous, patently unjust and potentially capable of causing unwarranted and irremediable injury or damage to the parties."⁴¹

The Court revisited the assailed Decision and Resolution respectively promulgated on March 4, 2020, and November 23, 2020. In doing so, the Court is reminded of the discourse in *Estrella v. Francisco*,⁴² *viz.*:

The use and ownership of property bears a social function, and all economic agents are expected to contribute to the common good. To this end, property ownership and economic activity are always subject

³⁴ See Second Motion for Reconsideration (With Leave of *En Banc*), *id.* at 328-336.

³⁵ *Id.* at 329.

³⁶ See Comment To: Second Motion for Reconsideration (With Leave *En Banc*), *id.* at 341-347.

³⁷ See Manifestation, *id.* at 356-358.

³⁸ See Reply with Leave (On Comment of Respondent Ester Gabriel Dominguez Dated 18 March 2022), *id.* at 350-355.

³⁹ Section 2, Rule 52 of the Rules of Court provides: "No second motion for reconsideration of a judgment or final resolution by the same party shall be entertained."

⁴⁰ Section 3, Rule 15, Internal Rules of the Supreme Court, A.M. No. 10-4-20-SC, approved on May 4, 2010.

⁴¹ *Laya v. Philippine Veterans Bank*, 823 Phil. 302, 330 (2015).

⁴² 788 Phil. 321 (2016).

to the duty of the State to promote distributive justice and intervene when the common good requires.

As early as 1973, the Philippines has already declared our goal of emancipating agricultural tenants from the bondage of the soil. The State adopts a policy of promoting social justice, establishing owner cultivatorship of economic-size farms as the basis of Philippine agriculture, and providing a vigorous and systematic land resettlement and redistribution program.

In pursuit of land reform, the State enacted the *Agricultural Land Reform Code* in 1963. The Code established an agricultural leasehold system that replaced all existing agricultural share tenancy systems at that point.

The existence of an agricultural tenancy relationship between the lessor and the lessee gives the latter rights that attach to the landholding, regardless of whoever may subsequently become its owner. This strengthens the security of tenure of the tenants and protects them from being dispossessed of the landholding or ejected from their leasehold by the death of either the lessor or of the tenant, the expiration of a term/period in the leasehold contract, or the alienation of the landholding by the lessor. If either party dies, the leasehold continues to bind the lessor (or his heirs) in favor of the tenant (or his surviving spouse/descendants). In case the lessor alienates the land, the transferee is subrogated to the rights and substituted to the obligations of the lessor-transferor. The agricultural leasehold subsists, notwithstanding the resulting change in ownership of the landholding, and the lessee's rights are made enforceable against the transferee or other successor-in-interest of the original lessor.⁴³ (Citations omitted.)

In line with the State policy of promoting social justice,⁴⁴ the Court must uphold and protect the right of agricultural tenants to opportunities provided to them by law to bolster their economic position,⁴⁵ including the rights that ensure they are not dispossessed of the landholding or ejected therefrom without due process of the law.

After a careful reexamination of the *rollo*, the Court finds that upholding the Orders of the RTC would run counter to the fundamental policy of social justice as it would deprive the petitioners the basic opportunity to prove their claim over the disputed portions of land. For reasons set out below, it is proper to direct the trial court to conduct further

⁴³ Id. at 329-331.

⁴⁴ Section 10, Article II of the 1987 Constitution.

⁴⁵ Section 2, Article XIII of the 1987 Constitution; Republic Act No. (RA) 1199, entitled, "An Act to Govern the Relations Between Landholders and Tenants of Agricultural Lands (Leasehold and Share Tenancy)," approved on August 30, 1954.

proceedings.

An agricultural lessee has personality to file an action for reconveyance.

To recall, the RTC anchored the dismissal of the Heirs' Complaint on the theory that a *tenant* or *kasama* had no personality to seek reconveyance of a property which he/she merely cultivated but was not registered under his/her name. With the finding that the plaintiffs had *no personality to sue*, the trial court concluded that their Complaint lacked a cause of action.

In an action for reconveyance, the plaintiff admits that the land in dispute has been registered in the name of another but argues that such registration was erroneous or wrongful. He "seeks the transfer of the title *to the rightful and legal owner, or to the party who has a superior right over it*, without prejudice to innocent purchasers in good faith."⁴⁶

Given these considerations, the Court cannot interpret reconveyance as a remedy available exclusively to a party claiming to be the registered owner of the land. A person alleging himself to have a *better right* may also protect his interest over the property through an action for reconveyance, such as a *lessee* in an *agricultural lease* over the disputed land.

Under the *Agricultural Land Reform Code*,⁴⁷ an agricultural lessee enjoys the rights of *pre-emption*⁴⁸ and *redemption*⁴⁹ in the event the lessor decides to sell the landholding, *viz.*:

Sec. 11. *Lessee's Right of Pre-emption.* — In case the agricultural lessor decides to sell the landholding, the agricultural lessee shall have the preferential right to buy the same under reasonable terms and conditions: *Provided*, That the entire landholding offered for sale must be pre-empted by the Department of Agrarian Reform upon petition of the lessee or any of them: *Provided, further*, That where there are two or more agricultural lessees, each shall be entitled to said

⁴⁶ *Gatmaytan v. Misibis Land, Inc.*, G.R. No. 222166, June 10, 2020, citing *Sps. Aboitiz v. Sps. Po*, 810 Phil. 123, 137 (2017). Italics supplied.

⁴⁷ RA 3844, approved on August 8, 1963, as amended by RA 6389, approved on September 10, 1971.

⁴⁸ Section 11, RA 3844, as amended by RA 6389.

⁴⁹ Section 12, RA 3844, as amended by RA 6389.

preferential right only to the extent of the area actually cultivated by him. The right of pre-emption under this Section may be exercised within one hundred eighty days from notice in writing, which shall be served by the owner on all lessees affected and the Department of Agrarian Reform.

x x x x

Sec. 12. *Lessee's Right of Redemption.* — *In case the landholding is sold to a third person without the knowledge of the agricultural lessee, the latter shall have the right to redeem the same at a reasonable price and consideration: Provided, That where there are two or more agricultural lessees, each shall be entitled to said right of redemption only to the extent of the area actually cultivated by him. The right of the redemption under this Section may be exercised within one hundred eighty days from notice in writing* which shall be served by the vendee on all lessees affected and the Department of Agrarian Reform upon the registration of the sale, and shall have priority over any other right of legal redemption. The redemption price shall be the reasonable price of the land at the time of the sale.⁵⁰ (Emphases in the original and supplied.)

Significantly, in *Springsun Management Systems Corp. v. Camerino*⁵¹ (*Springsun*), the Court held that an agricultural lessee's filing of a complaint for reconveyance/redemption before the trial court was proper to enable him/her to preserve his/her legal rights over the land.

It is clear that the law respects an *agricultural lessee's* right over the leased property and accords him/her a right of action to redeem the leased property and/or retrieve it from a third party in case it is sold without his/her knowledge. In other words, contrary to the RTC's ruling, these rights of pre-emption and redemption vest an agricultural lessee the personality to seek reconveyance of the leased property to enforce and protects such rights.

As pointed out by Associate Justice Amy C. Lazaro-Javier, the Court are not unmindful that the existence of an agricultural lessee's tenancy rights *per se* cannot *ipso facto* derogate from the agricultural lessor's right as owner to dispose of the property.⁵² However, whether one's right is superior to someone else's shall be best established by evidence and determined after the conduct of a trial. Further, that the agricultural lessee *has* some right which the law upholds may not,

⁵⁰ RA 3844, as amended by RA 6389.

⁵¹ 489 Phil. 769 (2005).

⁵² *Milestone Realty & Co., Inc., v. Court of Appeals*, 431 Phil. 119, 133 (2002).

ultimately, prevent the lessor from disposing the leased property. Nonetheless, the Court finds it sufficient for purposes of vesting said lessee the personality to question any such disposition.

In sum, an *action for reconveyance* “is a legal and equitable remedy granted to the rightful owner of land which has been wrongfully or erroneously registered in the name of another for the purpose of compelling the latter to transfer or reconvey the land to him”⁵³ On the other hand, the *right of redemption* is a privilege accorded by law to specific persons, named by the same statute granting the privilege⁵⁴ (*e.g.*, Section 12 of the Agricultural Land Reform Code), to recover property or protect some right they might have relative thereto (*e.g.*, rights of pre-emption and of notice in case the landholding is sold to a third person).

Verily, the right of action for reconveyance is ordinarily exercised by the registered owner. However, a person who is not the owner but *claims* to have a better right over property wrongfully registered under someone else’s name is vested with *personality* to assail such erroneous registration. Put in another way, an agricultural lessee, while not *ipso facto* entitled to own the leased property in the event the lessor decides to sell it, nonetheless has personality to institute an action for reconveyance to preserve the statutory opportunity given to them to own the land they once tilled. To be clear, while they have the right of action, an agricultural lessee, in the reconveyance proceedings, remains to bear the burden of proving their claim and their entitlement.

Parenthetically, it is admitted that Nicanor died on June 23, 2010.⁵⁵ In this regard, the *Agricultural Land Reform Code* also provides:

SECTION 9. *Agricultural Leasehold Relation Not Extinguished by Death or Incapacity of the Parties.* — In case of death or permanent incapacity of the agricultural lessee to work his landholding, the leasehold shall continue between the agricultural lessor and the person who can cultivate the landholding personally, chosen by the agricultural lessor within one month from such death or permanent incapacity, from among the following: (a) the surviving spouse; (b) the eldest direct descendant by consanguinity; or (c) the next eldest descendant or

⁵³ *Sps. Aboitiz v. Sps. Po*, 810 Phil. 123, 140 (2017), citing *Toledo v. Court of Appeals*, 765 Phil. 649, 658 (2015).

⁵⁴ See *White Marketing & Development Corporation v. Grandwood Furniture & Woodwork, Inc.*, 800 Phil. 845, 857-858 (2016), citing *The City of Davao v. The Intestate Estate of Amado S. Dalisay*, 764 Phil. 171, 185 (2015).

⁵⁵ *Rollo*, p. 94.

descendants in the order of their age: *Provided*, That in case the death or permanent incapacity of the agricultural lessee occurs during the agricultural year, such choice shall be exercised at the end of that agricultural year: *Provided, further*, That in the event the agricultural lessor fails to exercise his choice within the periods herein provided, the priority shall be in accordance with the order herein established.

In case of death or permanent incapacity of the agricultural lessor, the leasehold shall bind his legal heirs.⁵⁶

In this regard, in *Manuel v. Court of Appeals*,⁵⁷ the Court pronounced that an agricultural leasehold relationship is not extinguished by the death or incapacity of the parties.⁵⁸ Thus, an agricultural lessee's heir is regarded to have personality to exercise the right of redemption previously accorded to the agricultural lessee.

Based on these considerations, it becomes clear that Nicanor's death did not extinguish automatically the above-discussed right of action.

The RTC cannot dismiss the complaint for lack of cause of action and otherwise rule on the probative value of evidence without trial.

The RTC provided the following explanations to justify its ruling that a mere tenant did not have personality to file an action for reconveyance:

From the above narration of facts, to repeat, as stated in the Complaint, it appears that this Nicanor Garcia is merely **a substitute tenant over [the] subject land owned by Fermina Francia, per unnotarized document dated June, 1980 entitled *Kasunduan Ukol Sa Salinan Ng Pamumuwisan sa Lupang Palayan* x x x.**

x x x x

The subject *Kasunduan Ukol Sa Salinan Ng Pamumuwisan sa Lupang Palayan* x x x is an extinguishment and transmission of tenancy right of Juan De Armas (First Party) in favor of Nicanor Garcia, thus, **it should be in the form of a public document or in layman's term**

⁵⁶ RA 3844.

⁵⁷ As pointed out by Associate Justice Amy C. Lazaro-Javier, the Court now revisits *Manuel v. Court of Appeals*, 204 Phil. 109 (1982).

⁵⁸ *Id.* at 115.

[sic], a notarized document.

Not being in the form of a public document or not being a notarized document, such *Kasunduan* is valid and binding among parties therein but **not at all valid and binding as regards third persons like herein defendants.**

Thus, it is clear that it could not serve as a basis of the instant action for reconveyance of ownership and possession.

Moreover, this document does not also appear to be filed with the concerned office of the Department of Agrarian Reform (DAR), such that this Nicanor Garcia could be said to be included in the Master List of Tenants in said office.⁵⁹ (Emphases in the original.)

Stated differently, the RTC did not give weight to the *Kasunduan* because the document did not appear to be notarized or registered/filed with the DAR.

The Court underscores that the case did not reach the pre-trial stage. Thus, there was no opportunity for the Heirs to submit the *original* of the *Kasunduan* to the trial court for marking and authentication or, much less, to formally offer it in evidence. All the trial court had at the time was the copy of the *Kasunduan* as attached to the Complaint. The document's *authenticity, due execution, and enforceability*, as well as its *probative value*, in general, cannot be pre-judged without the benefit of a trial. That the RTC already ruled in part on the merits of the Complaint without allowing the Heirs to present evidence amounted to a violation of the latter's right to due process.⁶⁰

Also, significantly, the RTC's outright dismissal on the ground of the Complaint's supposed *lack of cause of action* is erroneous. It is already settled that whether or not a complaint lacks cause of action is an issue that can be resolved only after the conduct of a trial. The case of *Colmenar v. Colmenar*⁶¹ is instructive on this point:

It has been repeatedly held, however, that failure to state a cause of action and lack of cause of action are distinct and separate grounds to dismiss a particular action. *Zuñiga-Santos v. Santos-Gran* explained that failure to state a cause of action refers to the insufficiency of the allegations in the pleading, while lack of cause of action refers to the

⁵⁹ *Rollo*, pp. 80-81.

⁶⁰ See *Gatmaytan v. Misibis Land, Inc.*, supra note 46.

⁶¹ G.R. No. 252467, June 21, 2021.

insufficiency of the factual basis for the action. Dismissal for failure to state a cause of action may be raised at the earliest stages of the proceedings through a motion to dismiss under Rule 16 of the 1997 Rules of Court or raised as an affirmative defense in an answer, while dismissal for lack of cause of action may be raised any time after the questions of fact have been resolved on the basis of stipulations, admissions or evidence presented by the plaintiff. x x x

x x x x

Consequently, the trial court erred in dismissing the complaint against ProFriends on ground that the complaint failed to state a cause of action, an affirmative defense it did not raise, and which is completely different from what it actually raised, *i.e.*, lack of cause of action. *And strictly speaking, lack of cause of action may only be raised after the questions of fact have been resolved on the basis of stipulations or admissions or evidence presented by the plaintiff. Before then, it cannot be raised as a ground for dismissal; much less can the court dismiss the case on that ground.*⁶² (Italics in the original and supplied; citation omitted.)

An action for reconveyance based on the agricultural lessee's right of redemption prescribes after 180 days from written notice of the sale.

The RTC also dismissed the Complaint due to prescription. It explained:

On the defense of prescription, this court finds that the six (6) titles in the names of defendant Dominador Burgos for Lots 815-B to 815-G were issued on February 12, 1999, thus the heirs of Fermina Francia, the registered owner, (not the heirs of Nicanor Garcia), have ten (10) years therefrom or up to February 12, 2009 to file an action for reconveyance.

Prescription is thus a valid defense in this case.⁶³ (Emphases omitted.)

The ruling is erroneous. The Court recognizes that the right of action for reconveyance has a 10-year prescriptive period in general, counted from the issuance of the Torrens title over the property.⁶⁴

⁶² Id.

⁶³ *Rollo*, p. 81.

⁶⁴ Section 53, Presidential Decree No. 1529, otherwise known as the Property Registration Decree,

However, as discussed above, the right to seek reconveyance is based on an agricultural lessee's right to redeem the landholding. In *Springsun*,⁶⁵ the Court explained this redemption period in relation to prescription, *viz.*:

At any rate, under Section 12, paragraph 1 of R.A. No. 3844, as amended, the prescriptive period for exercising the right of redemption is within 180 days from notice in writing of the registration of the sale, which shall be served by the vendee on all lessees affected and the DAR. *We have held that the right of redemption will not prescribe unless there is such notice in writing of the sale. Since it has been established that indeed respondents were never notified in writing of the sale of the disputed lots, then there is no prescription to speak of in the instant case.*⁶⁶ (Italics supplied; citation omitted.)

In the present case, the Court observed the following: *First*, in the Complaint, the Heirs alleged that the disputed portion was sold without their father's knowledge.⁶⁷ *Second*, in his Answer, Dominador insisted that Fermina, the registered landowner, "allotted (*sic*) and bequeathed" the disputed portion to him in 1998.⁶⁸ He did not deny specifically the allegation that the sales/transfers were made without Nicanor's knowledge nor did he allege anew that Nicanor had in fact been notified thereof.

The law obliges the *vendee* to formally notify the agricultural lessee of the sale. However, whether Dominador, the transferee, notified Nicanor, the agricultural lessee, in writing about the alleged sale between him and Fermina is not clear from the face of the Complaint. Dominador did not even refute Nicanor's lack of knowledge or insist that the latter was notified otherwise. That prescription was not apparent from the allegations in the Complaint makes an *outright* dismissal based on that ground improper.

In the Court's view, the issue of prescription involved here cannot be resolved in haste and on the basis of unsubstantiated allegations that have only been accepted *provisionally* as true. Whether the right to redeem the disputed portion of the leased land has prescribed draws upon various factual matters that also require the presentation of evidence during a trial.

approved on June 11, 1978.

⁶⁵ See also *Estrella v. Francisco*, 788 Phil. 321, 332-335 (2016).

⁶⁶ *Springsun Management Systems Corp. v. Camerino*, supra note 51 at 790, citing *Mallari v. Court of Appeals*, 244 Phil. 518 (1988).

⁶⁷ *Rollo*, p. 95.

⁶⁸ *Id.* at 18.

This ruling deals with preliminary matters only. A trial is necessary to resolve the case on the merits.

In sum, the RTC's *outright* dismissal of the Complaint is unwarranted because Nicanor, an agricultural lessee, has personality to redeem and seek reconveyance of the landholding, which was alleged to have been sold without his knowledge. Whether his right of action has prescribed, it is not apparent on the face of the Complaint.

The pronouncements deal only with *preliminary matters* (i.e., personality to sue, prescription), based on the parties' material allegations, to ensure that the parties are not deprived of property rights without due process of the law. To be clear, the *veracity* of their allegations and the *probative value* of the evidence to be presented shall be dealt with in a full-blown trial. This ruling is not a final and conclusive resolution of the factual and legal issues raised by the parties in the pleadings they have filed before the RTC.⁶⁹ The jurisdiction to adjudicate the case on the merits, the determination of the party having a better right over the disputed property, and the preservation of the rights of innocent purchasers for value, if any, rest upon the trial court.

WHEREFORE, the Court **GRANTS** the Second Motion for Reconsideration, and thus, **SETS ASIDE** the Court's Decision dated March 4, 2020 and the Resolution dated November 23, 2020.

Further, the Court **GRANTS** the Petition for Review on *Certiorari*, **NULLIFIES** and **SETS ASIDE** the Orders dated June 7, 2017 and November 23, 2017 rendered by Branch 7, Regional Trial Court, Malolos, Bulacan in Civil Case No. 325-M-2016, **REINSTATES** the Complaint for Reconveyance of Ownership, Possession and Property, Breach of Agreement/Undertaking, Cancellation of Titles, Nullity of Deeds of Sale, and Damages, and **DIRECTS** the Regional Trial Court to continue with the proceedings with dispatch.

No pronouncement on the costs of suit.

⁶⁹ See *Gatmaytan v. Misibis Land, Inc.*, supra note 46.

SO ORDERED.



HENRI JEAN PAUL B. INTING
Associate Justice

WE CONCUR:

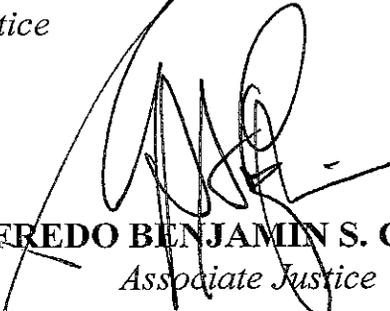
See separate concurring opinion



ALEXANDER G. GESMUNDO
Chief Justice



MARVIC M.V.F. LEONEN
Associate Justice



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



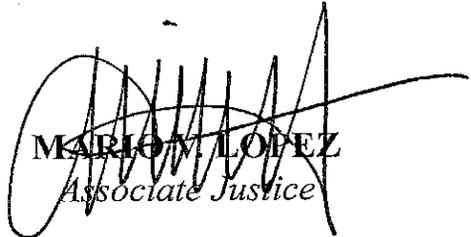
RAMON PAUL L. HERNANDO
Associate Justice



AMY C. LAZARO-JAVIER
Associate Justice



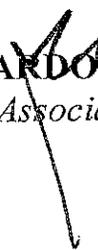
RODIL V. ZALAMEDA
Associate Justice



MARION LOPEZ
Associate Justice



SAMUEL H. GAERLAN
Associate Justice



RICARDO R. ROSARIO
Associate Justice


JHOSEP Y. LOPEZ
Associate Justice


JAPAR B. DIMAAMPAO
Associate Justice


JOSE MIDAS P. MARQUEZ
Associate Justice


ANTONIO T. KHO, JR.
Associate Justice


MARIA FILOMENA D. SINGH
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, it is hereby certified that the conclusions in the above Decision had been reached in consultation before the cases were assigned to the writer of the opinion of the Court.


ALEXANDER G. GESMUNDO
Chief Justice