



Republic of the Philippines
Supreme Court
 Manila

FIRST DIVISION

SUPREME COURT OF THE PHILIPPINES
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 TIME:

**REGINO DELA CRUZ, substituted
 by his heirs, namely: MARIA,
 DANILO, REGINO, JUANITO,
 CECILIA, ROSALINA and
 CEFERINO all surnamed DELA
 CRUZ, represented by CEFERINO
 DELA CRUZ,**

Petitioners,

- versus -

**IRENEO DOMINGO, MARO,
 QUEZON, NUEVA ECIJA, and
 REGISTER OF DEEDS NORTH,
 TALAVERA, NUEVA ECIJA,**

Respondents.

G.R. No. 210592

Present:

SERENO, C.J., Chairperson,
 LEONARDO-DE CASTRO,
 DEL CASTILLO,
 JARDELEZA, and
 TIJAM, JJ.

Promulgated:

NOV 22 2017

X-----X

DECISION

DEL CASTILLO, J.:

Assailed in this Petition for Review on *Certiorari*¹ are the April 11, 2013 Decision² and December 2, 2013 Resolution³ of the Court of Appeals (CA) dismissing the Petition for Review in CA-G.R. SP No. 114223 on the ground of forum shopping.

Factual Antecedents

Respondent Ireneo Domingo (Domingo) is the registered owner of a parcel of land totaling 13,165 square meters located in San Miguel (Mambarao), Quezon, Nueva Ecija, covered by Transfer Certificates of Title Nos. EP-82013 (TCT EP-82013) and EP-82015 (TCT EP-82015) both issued on May 24, 1989.⁴

¹ *Rollo*, pp. 8-26.

² *Id.* at 30-43; penned by Associate Justice Zenaida T. Galapate-Laguilles and concurred in by Associate Justices Mariflor P. Punzalan Castillo and Amy C. Lazaro-Javier.

³ *Id.* at 50-51.

⁴ *Id.* at 78-79.

Petitioner Regino Dela Cruz (Dela Cruz), on the other hand, was a farmer-beneficiary of three (3) parcels of land, to wit:

<u>Lot Number</u>	<u>Area</u>	<u>Certificate of Land Transfer No.</u>	<u>Emancipation Patent No.</u>
03822	1.01 hectares	0401813	EP-41868
03825	1.625 hectares	0401814	EP-82009
03794	1.228 hectares	0401815	no EP was issued ⁵

DARAB Case Nos. 298, 299, and 300

On January 30, 2006, Domingo filed a case for recovery of possession with the Department of Agrarian Reform Adjudication Board (DARAB) Nueva Ecija against Dela Cruz, docketed as DARAB Case No. 298. In his Petition,⁶ Domingo claimed that Dela Cruz was in possession by mere tolerance of his land covered by TCT EP-82013, and the latter refused to vacate the same even after demand and mediation before the Barangay Agrarian Reform Committee. Thus, Domingo prayed that as owner of the land occupied by Dela Cruz, he be placed in possession thereof.

Domingo immediately thereafter filed two more cases for recovery of possession against Dela Cruz before the DARAB, docketed as DARAB Case Nos. 299 and 300, relative to his land covered by TCT EP-82013 and TCT EP-82015.

Dela Cruz failed to timely file an answer to the three petitions, for which reason a consolidated Decision dated April 25, 2006 was rendered by DARAB Provincial Adjudicator Marvin Bernal ordering Dela Cruz to vacate Domingo's lands.⁷

Dela Cruz filed a motion for reconsideration with motion to admit his answer.

DARAB Case No. 372

Without awaiting the resolution of his motions for reconsideration and to admit answer in DARAB Case Nos. 298-300, Dela Cruz filed DARAB Case No. 372 (or 372'NNE'06) for annulment of TCT EP-82013 and TCT EP-82015. He claimed in his Petition⁸ that Domingo sold his lands (subsequently covered by TCT EP-82013 and TCT EP-82015) to one

⁵ Id. at 148-149.

⁶ Id. at 127-129.

⁷ See CA Decision, p. 3; *rollo*, p. 32.

⁸ *Rollo*, pp. 52-58.

Jovita Vda. de Fernando (Fernando); **that Fernando sold the same to him** (Dela Cruz), and to prove the sale, he attached Fernando's *Sinumpaang Salaysay*⁹ and also the *Sinumpaang Salaysay*¹⁰ of two disinterested persons attesting to the fact that Domingo sold the lands, totaling 12,500 square meters, to Fernando; that he (Dela Cruz) took possession of the said lands; **that in 1978, he was issued Certificate of Land Transfer No. 0401815 (CLT 0401815) covering 12,280 square meters of the said 12,500-square meter land;**¹¹ that he has fully paid the cost of the said lands; that he later found out that his land covered by CLT 0401815 was subsequently awarded to Domingo and registered under TCT EP-82013 and TCT EP-82015; that said registration was made through fraud, deceit and false machinations; and that Domingo could not have been a valid beneficiary of the said lands, since he was physically disabled ("*lumpo*") since birth. Dela Cruz prayed that Domingo's titles be annulled and cancelled; that he be declared owner of the lands covered thereby; that new titles be issued in his name; and that he be awarded attorney's fees and litigation expenses.

Domingo filed his Answer with Motion to Dismiss,¹² arguing that Dela Cruz's CLT 0401815 covers a parcel of land different from his lands; that he (Domingo) is in actual possession of the lands covered by TCT EP-82013 and TCT EP-82015; that Dela Cruz is guilty of forum shopping for filing the case in spite of the fact that a consolidated Decision has been issued in DARAB Case Nos. 298-300 against him; and for these reasons, the case should be dismissed.

On September 26, 2007, a Decision¹³ was rendered by Talavera, Nueva Ecija DARAB Provincial Adjudicator Marvin Bernal, who also rendered the consolidated Decision in DARAB Case Nos. 298-300. It was held that Dela Cruz failed to prove that the subject parcels of land were sold to him; that the pieces of documentary evidence he submitted do not sufficiently prove a sale in his favor; that the lands belong to Domingo as the awardee thereof; that Domingo's disability does not disqualify him from becoming a farmer-beneficiary under the agrarian laws; that Dela Cruz's allegations of fraud, deceit and false machinations have not been substantially proved; and that Dela Cruz merely holds a certificate of land transfer covering the subject lands, which does not grant ownership, as opposed to Domingo's transfer certificate of title. Thus, it was decreed that –

WHEREFORE, in view of all the foregoing, judgment is hereby rendered by DISMISSING the instant petition, as it is hereby DISMISSED for lack of merit.

⁹ Id. at 60.

¹⁰ Id. at 61-62.

¹¹ Id. at 53-54, 59.

¹² Id. at 81-84.

¹³ Id. at 90-96.

All claims and other counterclaims the parties may have against each other [are] likewise dismissed for want of evidence.

SO ORDERED.¹⁴

Ruling of the DARAB

Dela Cruz took the matter before the DARAB via appeal docketed as DARAB Case No. 15566. On December 3, 2009, the DARAB issued its Decision¹⁵ declaring as follows:

[Dela Cruz] claimed that he is the farmer-beneficiary of the involved landholding. Further, he alleged that the issuance of the said EPs to [Domingo] was tainted with fraud, false machination and deceit, if not mistake x x x. This allegation, however, was denied by the latter x x x. The Board finds no merit on [Dela Cruz's] allegation as this was only supported by certification/affidavits, receipts, and statements of accounts, which are not considered substantial.

Besides[,] the landholding referred to by [Dela Cruz] is located at San Manuel (Quezon, Nueva Ecija), and not San Miguel (where the landholding involved herein is located), thereby corroborating [Domingo's] claim that [Dela Cruz] is claiming a different landholding not subject hereof x x x.

[Dela Cruz] failed to overcome the presumption of regularity in the issuance of the Emancipation Patents (EPs) sought to be cancelled herein.

WHEREFORE, premises considered, the appeal is hereby DISMISSED and the decision appealed from is AFFIRMED *in toto*.

SO ORDERED.¹⁶ (Citations omitted)

Dela Cruz moved to reconsider,¹⁷ but in an April 5, 2010 Resolution,¹⁸ the DARAB held its ground.

Ruling of the Court of Appeals

Petitioners thus filed a Petition for Review, docketed as CA-G.R. SP No. 114223, questioning the DARAB's pronouncements.



¹⁴ Id. at 96.

¹⁵ Id. at 97-103; penned by DARAB Member Ambrosio B. De Luna and concurred in by DARAB Members Jim G. Coletto, Arnold C. Arrieta, and Ma. Patricia P. Rualo-Bello.

¹⁶ Id. at 102-103.

¹⁷ Id. at 104-114.

¹⁸ Id. at 133-134.

On April 11, 2013, the CA issued the assailed Decision dismissing the Petition on the ground of forum shopping. It held that Dela Cruz should have raised his claim of ownership and possession as a counterclaim in DARAB Case Nos. 298-300; that since Domingo's cases for recovery of possession or reconveyance involved an assertion of his ownership over the subject parcels of land, Dela Cruz should have interposed his own claim in these cases and sought annulment and cancellation of titles therein; and that since the parties, issues, and causes of action in these cases are identical, a decision in one will constitute *res judicata* in the others.

Petitioners moved to reconsider,¹⁹ but the CA stood firm. Hence, the present Petition.

Issues

Petitioners submit the following issues for resolution:

WHETHER FORUM SHOPPING AND *LITIS PENDENTIA* ARE VIOLATED IN THE CASE AT BAR.

WHETHER THE CASE OF CANCELLATION OF EMANCIPATION PATENTS AND CERTIFICATES OF TITLES CAN BE MADE AS COMPULSORY COUNTERCLAIM WITHOUT VIOLATING THE RULE THAT CERTIFICATE[S] OF TITLE CANNOT BE COLLATERALLY ATTACKED.²⁰

Petitioners' Arguments

Praying that the assailed CA pronouncements be set aside, and that Domingo's titles be annulled and in their stead new titles be issued in their name, petitioners maintain in their Petition and Reply²¹ that there is no forum shopping in Dela Cruz's filing of DARAB Case No. 372 during the pendency of DARAB Case Nos. 298-300; that the latter cases involve merely the issue of recovery of possession and not ownership, which is the issue in DARAB Case No. 372; that Dela Cruz could not have raised the issue of ownership in DARAB Case Nos. 298-300, as this is tantamount to a collateral attack upon Domingo's titles, which is why he (Dela Cruz) filed a separate case for annulment and cancellation of said titles; that while Dela Cruz was the farmer-beneficiary of three parcels of land, he was "mysteriously" issued only two Emancipation Patents (EP), and no EP was issued with respect to his 1.228-hectare parcel of land, which is now covered by Domingo's titles TCT EP-

¹⁹ Id. at 44-48.

²⁰ Id. at 13.

²¹ Id. at 181-192.

82013 and TCT EP-82015, despite the fact that he (Dela Cruz) has fully paid for the same; that Domingo is incapable of personally cultivating the lands awarded to him because he is suffering from physical disability, and thus he is not a qualified farmer-beneficiary in contemplation of agrarian laws; and that contrary to what the DARAB pronounced, Dela Cruz was able to prove his case by substantial evidence, which thus entitles him to the remedies he seeks.

Domingo's Arguments

In his Comment²² seeking affirmance of the questioned CA dispositions, Domingo counters that the CA is correct in finding that Dela Cruz is guilty of forum shopping; that there is a pending appeal by Dela Cruz of the consolidated Decision in DARAB Case Nos. 298-300, and a decision in said appeal would constitute *res judicata* in the instant case; and that Dela Cruz should have interposed his claim of ownership by way of counterclaim in DARAB Case Nos. 298-300.

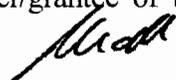
Our Ruling

The Court denies the Petition.

Dela Cruz asserted that he is the owner of the parcels of land covered by Domingo's TCT EP-82013 and TCT EP-82015, and that these lands are covered by his CLT 0401815; and for this reason, Domingo's titles should be cancelled and annulled. This is the essence of his claim.

However, a certificate of land transfer does not vest ownership in the holder thereof. In *Martillano v. Court of Appeals*,²³ this Court held that –

x x x A certificate of land transfer merely evinces that the grantee thereof is qualified to, in the words of *Pagtalunan*, 'avail of the statutory mechanisms for the acquisition of ownership of the land tilled by him as provided under Pres. Decree No. 27.' It is not a muniment of title that vests upon the farmer/grantee absolute ownership of his tillage. On the other hand, an emancipation patent, while it presupposes that the grantee thereof shall have already complied with all the requirements prescribed under Presidential Decree No. 27, serves as a basis for the issuance of a transfer certificate of title. It is the issuance of this emancipation patent that conclusively entitles the farmer/grantee of the rights of absolute ownership. x x x²⁴ (Citations omitted)



²² Id. at 165-169.

²³ 477 Phil. 226 (2004).

²⁴ Id. at 238.

Dela Cruz must have relied on past interpretations relative to the document he possesses. But these no longer hold true.

It is true that in past decisions of this Court, in particular *Torres v. Ventura* (which was cited by the DARAB Appeal Board) and *Quiban v. Butalid* (which was relied upon by the CA), we held that a tenant issued a CLT is deemed the owner of the land. This is because PD 27 states that '(t)he tenant farmer, whether in land classified as landed estate or not, shall be deemed owner of a portion constituting a family-size farm of five (5) hectares if not irrigated and three (3) hectares if irrigated.'

But, as correctly argued by PDB, more current decisions of this Court (where the interpretation of the phrase 'deemed owner' was directly tackled) have clarified these pronouncements by distinguishing the legal effects of a CLT and those of an emancipation patent. *Martillano v. Court of Appeals* is instructive:

Both instruments have varying legal effects and implications insofar as the grantee's entitlements to his landholdings. A certificate of land transfer merely evinces that the grantee thereof is qualified to, in the words of *Pagtalunan*, 'avail of the statutory mechanisms for the acquisition of ownership of the land tilled by him as provided under Pres. Decree No. 27.' It is not a muniment of title that vests upon the farmer/grantee absolute ownership of his tillage. On the other hand, an emancipation patent, while it presupposes that the grantee thereof shall have already complied with all the requirements prescribed under Presidential Decree No. 27, serves as a basis for the issuance of a transfer certificate of title. It is the issuance of this emancipation patent that conclusively entitles the farmer/grantee of the rights of absolute ownership. *Pagtalunan* distinctly recognizes this point when it said that:

It is the emancipation patent which constitutes conclusive authority for the issuance of an Original Certificate of Transfer, or a Transfer Certificate of Title, in the name of the grantee . . .

Clearly, it is only after compliance with the above conditions which entitle a farmer/grantee to an emancipation patent that he acquires the vested right of absolute ownership in the landholding – a right which has become fixed and established, and is no longer open to doubt or controversy. At best, the farmer/grantee, prior to compliance with these conditions, merely possesses a contingent or expectant right of ownership over the landholding.



Given that Garcia is a holder of a CLT but not of an emancipation patent, full ownership of the land has not yet vested in him. Hence, there is no basis for the CA and DARAB Appeal Board to direct the bank to turn over the land to him.²⁵ (Citations omitted)

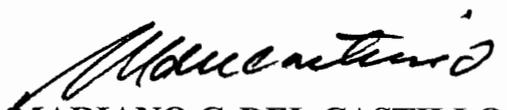
Petitioners concede that Dela Cruz was not issued an EP over the subject property; he only has CLT 0401815. On the other hand, Domingo was issued EPs over the same property, after which transfer certificates of title, TCT EP-82013 and TCT EP-82015, were issued to him. Between the two of them, Domingo is deemed the owner of the subject lands, and Dela Cruz has no valid claim. For some reason or other, Dela Cruz was not issued an EP for the subject lands, while for other lands, he was granted patents. This can only mean that for the subject lands, he failed to qualify as owner thereof under the government's agrarian reform program.

For this reason alone, it is clear that Dela Cruz has no cause of action against Domingo. His claim of ownership, which is the sole foundation for his case in DARAB Case No. 372, has fallen. His accompanying claims of fraud, deceit, and machinations; prior sale in his favor; and disqualification of Domingo as farmer-beneficiary do not deserve consideration by this Court. These have been passed upon by the DARAB itself – and on two levels, no less. It need not be said that the Department of Agrarian Reform, through the DARAB, is in a “better position to resolve agrarian disputes, being the administrative agency possessing the necessary expertise on the matter and vested with primary jurisdiction to determine and adjudicate agrarian reform controversies.”²⁶

With the view taken of the case, there is no need to discuss the issues raised by the parties. They are not essential to the proper disposition of this simple case.

WHEREFORE, the Petition is **DENIED**. DARAB Case No. 372 is ordered **DISMISSED**.

SO ORDERED.


MARIANO C. DEL CASTILLO
Associate Justice

²⁵ *Planters Development Bank v. Garcia*, 513 Phil. 294, 310-311 (2005).

²⁶ *Heirs of Tantoco, Sr. v. Court of Appeals*, 523 Phil. 257, 284 (2006).

WE CONCUR:



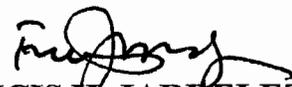
MARIA LOURDES P. A. SERENO

Chief Justice

Chairperson



TERESITA J. LEONARDO-DE CASTRO
Associate Justice



FRANCIS H. JARDELEZA
Associate Justice



NOEL GIMENEZ TIJAM
Associate Justice

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.



MARIA LOURDES P. A. SERENO
Chief Justice

