Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

CARMEN ALEDRO-RUÑA,
Petitioner,

- versus -

LEAD EXPORT AND AGRO-DEVELOPMENT CORPORATION,
Respondent.

G.R. No. 225896

Present:

VELASCO, JR., *Chairman,*
BERSAMIN,
LEONEN,*
MARTIRES, and
GESMUNDO, *JJ.*

Promulgated:

July 23, 2018

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DECISION

GESMUNDO, *J.:*

This is an appeal by *certiorari* filed by Carmen Aledro-Ruña *(petitioner)* against Lead Export and Agro-Development Corporation *(respondent)*, assailing the Decision[1] dated February 15, 2016 and Resolution[2] dated July 21, 2016 of the Court of Appeals *(CA)* in CA-G.R. CV No. 03735 which denied petitioner's appeal for lack of merit. She prays that the assailed decision be reversed and set aside, and that a new judgment be rendered declaring her to have a better right to possess the parcels of land subject of the instant case.

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* On official business.
[1] *Rollo*, pp. 35-50; penned by Associate Justice Edgardo T. Lloren, with Associate Justices Rafael Antonio M. Santos and Ruben Reynaldo G. Roxas, concurring.
[2] Id. at 52-53.

The Antecedents

This case originated from three (3) different civil cases involving two (2) parcels of land, Lots 3014 and 5722, covered by Original Certificate of Title No. (P-6303) P-1781 and Original Certificate of Title No. (P-6224) P-1712, respectively. The two parcels of land were registered under the name of Segundo Aledro *(Segundo)*.

Segundo allegedly executed two (2) contracts covering the subject parcels of land on separate dates: 1) Contract of Lease executed on August 4, 1972 between him and Alfredo A. Rivera *(Rivera)* for a period of fifteen (15) years; and 2) Deed of Absolute Sale involving the same lands executed by Segundo and Mario D. Advento *(Advento)* on March 24, 1981.

On October 8, 1982, Advento sold the subject properties to Andres M. Ringor *(Ringor)*.

On April 25, 1988, Farmingtown Agro-Developers, Inc. *(FADI)*, a corporation engaged in the growing and selling of Cavendish bananas, leased the two (2) parcels of land from Ringor for a period of twenty-five (25) years.

First Case: Civil Case No. 95-13

On January 31, 1995, a complaint was filed by the heirs of Segundo, namely: petitioner, Antero, Basilisa, Nilo, Romeo, Edilberto and Expedito, all surnamed Aledro and represented by Sofia Aledro *(Sofia)* against Advento and FADI before the Regional Trial Court of Panabo City, Branch 34 *(RTC Br. 34)*, for Real Action over an Immovable, Declaration of Nullity of Deed, and Damages.[3]

On March 31, 1997, the RTC Br. 34 dismissed the complaint. The heirs of Segundo then appealed before the CA.

Meanwhile, in December 2000, FADI merged with respondent, the latter as the surviving corporation. In March 2001, respondent's former corporate name, Lead Export Corporation, was changed to Lead Export & Agro-Development Corporation. Consequently, respondent absorbed FADI's

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[3] *Rollo*, p. 36.

occupational and possessory rights pertaining to Lots 3014 and 5722.[4]

On October 12, 2001, the CA reversed and set aside the decision of the RTC Br. 34 and remanded the case thereto for further reception of evidence.

Allegedly, on September 18, 2003, the heirs of Segundo (including petitioner), then represented by their attorney-in-fact, Nilo Aledro *(Nilo)*, and assisted by their counsel, filed a motion to dismiss with prejudice on the ground of lack of interest to prosecute the case and to protect Advento and FADI from further prosecution respecting the subject matter of the case.[5]

On September 30, 2003, the RTC Br. 34 issued an Order[6] dismissing the case with prejudice. No appeal was filed, thus, the order became final and executory.

Second Case: Civil Case No. 41-2005

Another complaint was filed by Sofia, widow of Segundo, in 2005 before the RTC of Panabo City, Br. 4 *(RTC Br. 4)* against Advento for Declaration of Nullity of Deed of Sale and Quieting of Title, alleging that through fraud, she and Segundo were made to believe that they were signing a contract of lease on March 24, 1981 and not a deed of absolute sale.

Summons was issued against Advento, but it was returned unserved. Summons by publication was effected, but Advento still failed to file an answer. Hence, he was declared in default.[7]

On May 30, 2007, the RTC Br. 4 rendered a decision in favor of Sofia. It ordered the removal of cloud cast upon the OCTs of the subject parcels of land. It also declared the agreements of lease as having expired and terminated. Lastly, the deed of absolute sale executed by Segundo in favor of Advento on March 24, 1981 was declared as null and void.[8]

On April 17, 2009, the RTC Br. 4 issued a Certificate of Finality[9] of its decision.

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[4] Id. at 37.
[5] Id. at 37.
[6] Id. at 120.
[7] Id. at 38.
[8] Id.
[9] Id. at 127.

Present Case: Civil Case No. 218-10

On September 30, 2010, petitioner filed a case for unlawful detainer, damages and attorney's fees against respondent before the 1st Municipal Circuit Trial Court of Carmen-Sto. Tomas-Braulio E. Dujali, Davao *(MCTC)*.

Respondent countered that it had a right of possession over the subject properties based on the contract of lease executed on April 25, 1988 between Ringor and FADI. It further argued that its possessory rights were based on the deeds of absolute sale between Segundo and Advento, and later between Advento and Ringor.

Respondent also argued that the case should be dismissed based on *res judicata* because a previous complaint had already been filed by petitioner as one of the heirs of Segundo against Advento and FADI for real action over an immovable, declaration of nullity of deeds and damages which was dismissed with prejudice.[10]

On May 10, 2011, the MCTC rendered judgment in favor of petitioner and ordered respondent, among others, to vacate the two (2) parcels of land.

Respondent appealed before the RTC Br. 34.

Meanwhile, Ringor sold the subject properties to Wilfredo Gonzales *(Gonzales)* and Oscar Q. Cabuñas, Jr. *(Cabuñas)* on January 7, 2012. They entered into a contract of lease with Lapanday Foods Corporation *(Lapanday)*, an affiliate of respondent, which provided for a lease contract period commencing on January 1, 2013, after the expiration of the lease between respondent and Ringor.

Meanwhile, this case was referred to a judicial dispute resolution *(JDR)*, but the same failed. Thus, it was re-raffled to the RTC Br. 4.

On October 1, 2012, the RTC Br. 4 reversed and set aside the MCTC decision for lack of jurisdiction, ruling that the action should have been one for recovery of the right to possess or *accion publiciana* because the alleged dispossession had exceeded the mandatory requirement of effecting the last

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[10] Id. at 39.

demand to vacate within the year of dispossession.[11]

Thus, pursuant to Section 8, Rule 40 of the Rules of Court, the RTC Br. 4 took cognizance of the case and referred it for court-annexed mediation *(CAM)* and JDR proceedings.[12]

Respondent moved for reconsideration, but it was denied. Pre-trial was conducted. Trial then ensued.

After the parties' respective memoranda were filed, the RTC Br. 4 rendered a decision[13] on May 20, 2014 dismissing the case for lack of merit. It ruled that the case was barred by *res judicata* and thus, upheld the validity of the deeds of sale covering the series of transaction involving the subject properties and the contract of lease between Ringor and respondent.[14] Further, the trial court sustained respondent's assertion of being the lawful lessee of the subject properties, having the right to occupy and possess the same by virtue of contract of lease with Ringor.[15]

Aggrieved, petitioner sought relief from the CA.

The CA, however, denied the appeal and affirmed *in toto* the decision of the RTC Br. 4. In so ruling, the CA found that the principle of *res judicata* applied in the case and that petitioner's action had already prescribed.

As regards the issue of *res judicata*, the CA explained that all the requisites for the application of the principle exist. One, the first case had already attained finality. The petitioner did not take any step to have the dismissal order set aside within the reglementary period to appeal.[16] Two, the RTC Br. 4 had jurisdiction over the first case.[17] Three, the case was dismissed with prejudice.[18] Four, between the first and second actions, there was identity of parties, subject matter and causes of action.[19] Hence, the ruling dismissing Civil Case No. 95-13 operated as a bar to a subsequent re-filing.[20]

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[11] Id. at 40.
[12] Id.
[13] Id. at 160-175.
[14] Id. at 174.
[15] Id. at 175.
[16] Id. at 45.
[17] Id. at 46.
[18] Id.
[19] Id. at 47.
[20] Id. at 48.

With regard to the issue of prescription, the CA ruled that:

> In Civil Case No. 95-13, plaintiff, as one of the co-heirs of Segundo Aledro, filed the complaint for nullification of both the contract of lease and the deed of sale before the RTC Branch 34 on January 31, 1995, or almost twenty-three (23) years from the execution of the lease contract and fourteen (14) years from the execution of the deed of sale in 1981, which is clearly beyond the ten-year prescriptive period provided under Article 1144 of the New Civil Code to institute an action upon a written contract. Moreover, it is beyond the four-year prescriptive period provided under Article 1391 of the New Civil Code to annul a contract where the consent of a contracting party is vitiated by fraud.[21]

The CA also observed that during Segundo's lifetime, he did not take any act to impugn the validity of the sale or the lease. In the absence of any contrary evidence, the deed of sale and the contract of lease were deemed perfectly valid.[22]

Aggrieved, petitioner moved for reconsideration, but her motion was denied.

Hence, the present petition raising the following:

ISSUES

A.

THAT THE HONORABLE COURT OF APPEALS ERRED WHEN IT UPHELD THE RULING OF THE REGIONAL TRIAL COURT DISMISSING PETITIONER'S COMPLAINT ON THE GROUND THAT IT IS BARRED BY RES JUDICATA, DESPITE THE FACT THAT THERE IS A DECISION, ALREADY FINAL AND EXECUTORY, DECLARING THAT THE SUBJECT PARCELS OF LAND AS CLEARED FROM DOUBT AND THAT THE DEEDS OF ABSOLUTE SALE RELIED BY RESPONDENT WAS ALREADY NULL AND VOID[.]

B.

THAT THE HONORABLE COURT OF APPEALS

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[21] Id. at 49.
[22] Id.

ERRED WHEN IT DID NOT RULE THAT PETITIONER HAS THE BETTER RIGHT TO POSSESS THE SUBJECT PARCELS OF LAND[.]

C.

THAT THE HONORABLE COURT OF APPEALS ERRED WHEN IT RULED THAT THE PLAINTIFF'S ACTION HAS ALREADY PRESCRIBED[.][23]

Prescinding therefrom, the pivotal issues for resolution are: 1) whether or not the case is already barred by *res judicata*; and 2) whether or not petitioner has the better right of possession.

The Court's Ruling

Ordinarily, when findings of the trial court are affirmed by the appellate court, such findings are deemed conclusive and binding upon this Court. This is in consonance with the settled rule that the Court is not a trier of facts. Its authority under Rule 45 of the Rules of Court is limited only to questions of law. However, when the inference made is manifestly mistaken, absurd or impossible, or when the judgment is based on misapprehension of facts,[24] the Court is cloaked with the authority to review factual findings made by the lower courts.

The time-honored principle is that litigation has to end and terminate sometime and somewhere, and it is essential to an effective administration of justice that once a judgment has become final, the issue or cause therein should be laid to rest.[25]

Corollarily, once a judgment has become final and executory, the issues resolved therein cannot be re-litigated in a subsequent action under the principle of *res judicata*.

Petitioner argues that *res judicata* by prior judgment is not applicable in this case because its essential requisites do not exist. She maintains that the order[26] dismissing Civil Case No. 95-13 is not a judgment on the

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[23] Id. at 19. (sentence case in the original)
[24] *Ligtas v. People*, 766 Phil. 750, 762-764 (2015).
[25] *Guerrero v. Director, Land Management Bureau, et al.*, 759 Phil. 99, 108 (2015).
[26] *Rollo*, p. 120.

merits;[27] that there was no actual determination of the substantive issues therein;[28] that there was no determination of the parties' rights and liabilities; no pronouncement that the possession of the subject parcels of land was granted to respondent; and there was no order cancelling the titles of the subject parcels of land registered in the name of Segundo.[29]

On the other hand, respondent maintains that petitioner's action is already barred by *res judicata* because: 1) the dismissal of Civil Case No. 95-13 was an order on the merits[30] as it was a dismissal with prejudice;[31] and 2) there is, between the first and present cases, identity of parties, identity of subject matter and identity of causes of action.[32] It further argues that the dismissal was upon motion of the plaintiffs, through one of the heirs of Segundo, Nilo Aledro, who was assisted by the plaintiffs' counsel. That pursuant to Sec. 2, Rule 17[33] of the Rules of Court, a complaint shall not be dismissed at the plaintiff's instance save upon approval of the court and upon such terms and conditions as the court deems proper.[34] Specifically, respondent explains that:

> The dismissal of Civil Case No. 95-13 was an order on the merits. Precisely, the plaintiffs in Civil Case No. 95-13 specified its dismissal to be WITH PREJUDICE because having settled with Mario V. Advento and respondent's predecessor, they considered the case as having been adjudicated on the merits and they wanted the defendants in the case to be protected against further suits involving the same subject matter.[35]

Thus, respondent strongly maintains that the dismissal is equivalent to an adjudication on the merits and has the effect of *res judicata*.[36]

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[27] Id. at 19.
[28] Id. at 21.
[29] Id.
[30] Id. at 229.
[31] Id. at 227.
[32] Id. at 229-230.
[33] SECTION 2. Dismissal Upon Motion of Plaintiff. — Except as provided in the preceding section, a complaint shall not be dismissed at the plaintiff's instance save upon approval of the court and upon such terms and conditions as the court deems proper. If a counterclaim has been pleaded by a defendant prior to the service upon him of the plaintiff's motion for dismissal, the dismissal shall be limited to the complaint. The dismissal shall be without prejudice to the right of the defendant to prosecute his counterclaim in a separate action unless within fifteen (15) days from notice of the motion he manifests his preference to have his counterclaim resolved in the same action. Unless otherwise specified in the order, a dismissal under this paragraph shall be without prejudice. A class suit shall not be dismissed or compromised without the approval of the court.
[34] *Rollo*, p. 230.
[35] Id. at 229.
[36] Id. at 227.

No determination of the parties' rights and liabilities

There is *res judicata* where the following four (4) essential conditions concur, *viz.*: (1) there must be a final judgment or order; (2) the court rendering it must have jurisdiction over the subject matter and the parties; (3) it must be a judgment or order on the merits; and (4) there must be, between the two cases, identity of parties, subject matter and causes of action.[37]

On its face, the present case should have been barred by *res judicata* because: 1) there is a final order rendered in the first case; 2) the court that rendered the final order had jurisdiction over the subject matter and the parties; 3) the final order was on the merits by virtue of the prejudicial dismissal of the complaint; and 4) there is, between the first and the present cases, identity of parties, subject matter and causes of action.

The Court, however, agrees with the petitioner that *res judicata* should be disregarded.

The order of dismissal by the trial court reads:

> This treats of the Motion to Dismiss dated September 18, 2003 filed by the plaintiffs, through their counsel, Atty. Vincent Paul L. Montejo, praying this Court to grant their motion.
>
> WHEREFORE, there being no objection on the part of the defendants, through their counsel, Atty. Honesto A. Carroguis, to the dismissal of this case, the written motion adverted to above is hereby granted and this case is hereby **dismissed**, as prayed for by the plaintiffs, with prejudice.
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> SO ORDERED.[38]

A careful scrutiny of the above order shows that there was no judgment on the merits.

A judgment may be considered as one rendered on the merits when it determines the rights and liabilities of the parties based on the

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[37] *Cebu State College of Science and Technology v. Misterio, et al.*, 760 Phil. 672, 684 (2015).
[38] *Rollo*, p. 120.

disclosed facts, irrespective of formal, technical or dilatory objections; or when the judgment is rendered after a determination of which party is right, **as distinguished from a judgment rendered upon** some preliminary or formal or **merely technical point.**[39] It is not required that a trial, actual hearing, or argument on the facts of the case ensued, for as long as the parties had the full legal opportunity to be heard on their respective claims and contentions.[40]

Here, the order specifically stated that the dismissal is with prejudice, and as such, it is understood as an adjudication on the merits. Under Sec. 2, Rule 17 of the Rules of Court, the dismissal upon motion of the plaintiff is without prejudice, *except otherwise specified in the order*. However, *res judicata* is to be disregarded if its rigid application would involve the sacrifice of justice to technicality, particularly in this case where there was actually no determination of the substantive issues in the first case.[41] There was no legal declaration of the parties' rights and liabilities. The CA remanded the case for further reception of evidence precisely because there were substantive issues needed to be resolved. The RTC, however, dismissed the case allegedly upon motion of the plaintiffs, through one of the heirs, Nilo, who prayed that the dismissal be with prejudice. The court granted the dismissal without any sufficient legal basis other than because it was what the plaintiffs prayed for.

The Court notes that the plaintiffs' filing of the motion to dismiss is no longer a matter of right. As likewise provided under Sec. 2, Rule 17, a complaint shall not be dismissed at the plaintiff's instance save upon approval of the court and upon such terms and conditions as the court deems proper. While there was approval by the court, the terms and conditions upon which the prejudicial dismissal was granted was not shown. The order granting the dismissal did not comply with Sec. 2, Rule 17 as it did not clearly set forth therein the terms and conditions for the dismissal. Sec. 1, Rule 36 of the Rules of Court mandates that a judgment or final order determining the merits of the case shall be in writing personally and directly prepared by the judge, *stating clearly and distinctly the facts and the law on which it is based*, signed by him, and filed with the clerk of the court.

It must be stressed that what appears to be essential to a judgment on the merits is that **it be a reasoned decision, which clearly states the facts and the law on which it is based.**[42] Technicalities should not be permitted to stand in the way of equitably and completely resolving the rights and

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[39] *Philippine Postal Corp. v. Court of Appeals, et al.*, 722 Phil. 860, 884 (2013).
[40] *Camarines Sur IV Electric Cooperative, Inc., et al. v. Aquino*, 762 Phil. 144, 156 (2015).
[41] *Philippine National Bank v. The Intestate Estate of De Guzman, et al.*, 635 Phil. 128, 135 (2010).
[42] *Supra* note 39 at 157.

obligations of the parties. Where the ends of substantial justice shall be better served, the application of technical rules of procedure may be relaxed.[43]

The broader interest of justice as well as the circumstances of the case justifies the relaxation of the rule on *res judicata*. The Court is not precluded from re-examining its own ruling and rectifying errors of judgment if blind and stubborn adherence to *res judicata* would involve the sacrifice of justice to technicality. This is not the first time that the principle of *res judicata* has been set aside in favor of substantial justice, which is after all the avowed purpose of all law and jurisprudence.[44] Therefore, petitioner is not barred from filing a subsequent case of similar nature.

Subsequent buyers are buyers in bad faith; petitioner has the better right to possess the land

Respondent argues that petitioner and her predecessors-in-interest's inaction for almost twenty (23) years from the time of execution of the lease contract in 1972, and fourteen (14) years in the case of the deed of absolute sale executed in 1981 barred them from seeking the nullification of the said agreements. These arguments, however, were not resolved in the first case which was dismissed allegedly upon motion of the plaintiff heirs.

Parenthetically, the Court cannot simply ignore the fact that the second case, Civil Case No. 41-2005 – an action for declaration of nullity of deed of sale and quieting of titles where the trial court declared the deed of absolute sale executed by Segundo in favor of Advento as null and void, and ordered the removal of cloud upon OCT Nos. (P-6303) P-1781 and (P-6224) P-1712, had long attained finality. Said decision was annotated at the back of the certificates of title. Hence, even assuming *arguendo* that the argument of prescription may be correct, the same becomes immaterial because by virtue of the final and executory decision in Civil Case No. 41-2005, the only issue left for resolution is who, between the petitioner – the heir of the registered owner – and the respondent lessee, has a better right to possess the subject properties.

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[43] *Millennium Erectors Corp. v. Magallanes*, 649 Phil. 199 (2010).
[44] *De Leon v. Balinag*, 530 Phil. 299 (2006).

It is a hornbook rule that once a judgment has become final and executory, it may no longer be modified in any respect, even if the modification is meant to correct an erroneous conclusion of fact or law, and regardless of whether the modification is attempted to be made by the court rendering it or by the highest court of the land, as what remains to be done is the purely ministerial enforcement or execution of the judgment.[45]

Respondent's possession as a lessee was based on a contract of lease executed in its favor by the alleged subsequent buyers of the subject properties, namely Ringor and later, by Gonzales and Cabuñas. These buyers only had unregistered deeds of sale in their favor. It is baffling why these deeds, despite the long span of time, were never registered.

Interestingly, respondent kept on insisting that *res judicata* has already set in, but respondent, nor any of its predecessors-in-interest, did not cause the cancellation of the certificate of title registered in the name of Segundo. Since 1981 when Segundo allegedly sold the subject property to Advento, two subsequent transfers have been made, the last buyers being Gonzales and Cabuñas. Yet, the certificates of title of the parcels of land undisputedly remain under the name of Segundo and have never been transferred to any of the subsequent buyers up to the present. Neither were the purported deeds of sale executed in favor of Ringor, Gonzales and Cabuñas, and other subsequent transferees registered nor annotated on the certificates of title of the subject properties.

Thus, when Ringor purchased the lands from Advento, and was later purchased by Gonzales and Cabuñas from Ringor, they did not directly deal with the registered owner of the land. The fact that the lands were not in the name of their sellers should have put them on guard and should have prompted them to inquire on the status of the properties being sold to them.

Clearly, Ringor, Gonzales and Cabuñas cannot be considered buyers in good faith because of their failure to exercise due diligence as regards their respective sale transactions. While this Court protects the right of the innocent purchaser for value and does not require him to look beyond the certificate of title, this protection is not extended to a purchaser who is not dealing with the registered owner of the land. In case the buyer does not deal with the registered owner of the real property, the law requires that a higher degree of prudence be exercised by the purchaser.[46]

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[45] *One Shipping Corp., et al. v. Peñafiel*, 751 Phil. 204, 210 (2015).
[46] *Heirs of the Late Felix M. Bucton v. Sps. Go*, 721 Phil. 851, 864 (2013).

While registration is not necessary to transfer ownership, it is, however, the operative act to convey or affect the land insofar as third persons are concerned.[47] Since Advento did not register the deed of sale and no transfer certificate was issued in his name, it did not bind the land insofar as Ringor, Gonzales and Cabuñas, as subsequent buyers, are concerned.

Moreover, the Court observes that Gonzales and Cabuñas represented themselves as the **registered owners** of the subject property in the Contract of Lease[48] they executed in favor of Lapanday Foods Corporation, a corporation which the respondent admitted as its affiliate. Ordinarily, with such a representation, it is human nature to require the presentation of the certificate of title to prove one's alleged ownership. In this case, however, Lapanday Foods Corporation did not require the presentation of the certificates of title. This led Us to the belief that respondent, including its affiliate Lapanday Foods Corporation, and its predecessors-in-interest knew right from the beginning that the unregistered deeds of sale, which showed the transfers of the subject properties to different persons while the former maintain in possession thereof, were but a sham.

Ultimately, in this jurisdiction, a certificate of title serves as evidence of an indefeasible and incontrovertible title to the property in favor of the person whose name appears therein and that a person who has a Torrens title over a land is entitled to the possession thereof.[49] Thus, as against the registered owner and the holder of an unregistered deed of sale, it is the former who has a better right to possess.[50] In this case, it is the petitioner who, being an heir of the registered owner Segundo, acquires a better right of possession over the parcels of land covered by OCT Nos. (P-6303) P-1781 and (P-6224) P-1712.

Registered owner's action to recover possession is not barred by prescription or by laches

An action to recover possession of a registered land never prescribes in view of the provision of Sec. 44 of Act No. 496 to the effect that no title to registered land in derogation of that of a registered owner shall be acquired by prescription or adverse possession. It follows that an action by the registered owner to recover a real property registered under the Torrens

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[47] Section 50, Act No. 496; *Saberon, et al. v. Ventanilla, Jr., et al.*, 733 Phil. 275, 299 (2014).
[48] *Rollo*, pp. 147-149.
[49] *Heirs of Maligaso, Sr. v. Spouses Encinas*, 688 Phil. 516, 523 (2012).
[50] *Catindig v. Vda. de Meneses*, 656 Phil. 361, 372-373 (2011).

System does not prescribe.[51] The rule on imprescriptibility of registered lands not only applies to the registered owner but **extends to the heirs of the registered owner as well.**[52] Therefore, petitioner's right to recover possession did not prescribe.

Likewise, laches did not bar petitioner's right of recovery. An action to recover registered land covered by the Torrens System may not generally be barred by laches. Neither can laches be set up to resist the enforcement of an imprescriptible legal right.[53] It is a principle based on equity and may not prevail against a specific provision of law, because equity, which has been defined as "justice outside legality," is applied in the absence of and not against statutory law or rules of procedure.[54]

WHEREFORE, the petition is **GRANTED**. The Decision of the Court of Appeals dated February 15, 2016 in CA-G.R. CV No. 03735 is **REVERSED** and **SET ASIDE.** The Decision of the 1st Municipal Circuit Trial Court of Carmen-Sto. Tomas-Braulio E. Dujali, Davao del Norte dated May 10, 2011 in Civil Case No. 218-10 is **REINSTATED.**

SO ORDERED.

ALEXANDER G. GESMUNDO
Associate Justice

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[51] *Heirs of Nieto v. Municipality of Meycauayan, Bulacan*, 564 Phil. 674, 679 (2007).
[52] Id. at 680.
[53] *Akang v. Municipality of Isulan, Sultan Kudarat Province*, 712 Phil. 420, 439 (2013).
[54] Supra note 51 at 681.

WE CONCUR:

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

LUCAS P. BERSAMIN
Associate Justice

(On official business)
MARVIC M.V.F. LEONEN
Associate Justice

SAMUEL R. MARTIRES
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.

PRESBITERO J. VELASCO, JR.
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.

ANTONIO T. CARPIO
Senior Associate Justice
(Per Section 12, R.A. 296)
The Judiciary Act of 1948, as amended

CERTIFIED TRUE COPY
WILFREDO V. LAPIAN
Division Clerk of Court
Third Division

AUG