



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **October 17, 2022** which reads as follows:*

“G.R. No. 257252 (Eduardo C. Abayon, Sr. and Spouse Rosita A. Abayon, *petitioners* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, Ligaya De Guzman-Viray, Romeo De Guzman, and Teresita De Guzman-Belocura, *respondents*);

G.R. No. 257253 (Spouses Gregorio [deceased] and Victoria Igot, *petitioners* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257254 (Felix B. Capin, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257255 (Jocelyn C. Ontuca, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257256 (Fructuoso B. Capirig, Jr., *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257257 (Lorenzo R. Grado, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257258 (Erlinda S. Famitanco, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257259 (Shirley E. Bernales,* *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257260 (Spouses Felix G. Dela Cerna and Rhoda B. Dela Cerna, represented by Rolando Alitao III, *petitioners* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257261 (Merlina M. Schaap, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257262 (Spouses Welliejado S. Sim [deceased] and Maria T. Sim, *petitioners* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

* Also referred to as "Shirley V. Bernales" in some parts of the *rollo* (see p. 31).

G.R. No. 257263 (Alicia M. Villegas, represented by Twyla M. Booc, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257264 (Gerardo S. Napalit, Jr., *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257265 (Josefa J. Ayag, substituted by her heirs as represented by Edgar J. Ayag, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257266 (Irenn* C. Mantilla, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257267 (Anastacia C. Campomanes, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257268 (Heirs of Marcelino G. Valdez, namely: Jovita D. Valdez, Imelda Valdez-Jimenez, Ferdinand Valdez, Joselito Valdez, and Michael Valdez, *petitioners* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257269 (Analyn L. Cabrera-Lyford, represented by Jocelyn C. Ontuca, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

* Erroneously referred to as "Irene" in some portion of the records.

G.R. No. 257270 (Alfredo L. Posas, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*);

G.R. No. 257286 (Arnold S. Sicat [deceased], represented by Rosalita V. Sicat, *petitioner* v. Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, *et al.*, *respondents*). — These are consolidated petitions for review on *certiorari*¹ under Rule 45 of the Rules of Court, seeking to reverse and set aside the Decision² dated July 2, 2020 and the Resolution³ dated April 22, 2021 of the Court of Appeals (CA) in CA-G.R. CV Nos. 04903-MIN to 04925-MIN⁴ and 04927-MIN, and the Decision⁵ dated September 29, 2020 and the Resolution⁶ April 28, 2021 in CA-G.R. CV No. 05499-MIN, which denied petitioners' appeal and affirmed the Decisions and Orders of the Regional Trial Court (RTC) of Davao City, Branches 17⁷ and 15, dismissing the complaints filed by petitioners.

The Facts

The instant case stemmed from separate complaints for quieting of title with prayer for conveyance of property and damages filed by petitioners in the above-titled cases against respondents Heirs of Dominador De Guzman and Aurora De Guzman, namely: Lourdes B. De Guzman-Lindayag, Rodolfo B. De Guzman, Saturnina B. De Guzman-Diwa, Virginia B. De Guzman-Abaya, Concepcion B. De Guzman-Goseco, Ligaya De Guzman-Viray, Romeo De Guzman, and Teresita De Guzman-Belocura (respondents) before the Regional Trial Court (RTC) of Davao City, and

¹ *Rollo* (G.R. No. 257252), pp. 3-17; *Rollo* (G.R. No. 257253), pp. 3-17; *Rollo* (G.R. No. 257254), pp. 3-17; *Rollo* (G.R. No. 257255), pp. 3-17; *Rollo* (G.R. No. 257256), pp. 3-17; *Rollo* (G.R. No. 257257), pp. 3-17; *Rollo* (G.R. No. 257258), pp. 3-17; *Rollo* (G.R. No. 257259), pp. 3-17; *Rollo* (G.R. No. 257260), pp. 3-17; *Rollo* (G.R. No. 257261), pp. 3-17; *Rollo* (G.R. No. 257262), pp. 3-17; *Rollo* (G.R. No. 257263), pp. 3-17; *Rollo* (G.R. No. 257264), pp. 3-17; *Rollo* (G.R. No. 257265), pp. 3-17; *Rollo* (G.R. No. 257266), pp. 3-17; *Rollo* (G.R. No. 257267), pp. 3-17; *Rollo* (G.R. No. 257268), pp. 3-17; *Rollo* (G.R. No. 257269), pp. 3-17; *Rollo* (G.R. No. 257270), pp. 3-17; and *Rollo* (G.R. No. 257286), pp. 3-17.

² *Rollo* (G.R. No. 257252), pp. 21-42. Penned by Associate Justice Edgardo A. Camello with Associate Justices Oscar V. Badelles and Angelene Mary W. Quimpo-Sale, concurring.

³ *Id.* at 43-56. Penned by Associate Justice Edgardo A. Camello with Associate Justices Oscar V. Badelles and Lily V. Biton, concurring.

⁴ Notably, the petitioners in CA-G.R. CV Nos. 04913-MIN to 04915-MIN, 04925-MIN and 04927-MIN, namely, Candelaria R. Arganda, represented by Elsa Diaz Villanueva, Ana B. Laganson, represented by her Attorney-in-Fact Marcelina B. Laganson, Roberto A. Lopena, Jessica D. Aguanta, and Marciana B. Ladrero, respectively, are not parties to the instant case.

⁵ *Rollo* (G.R. No. 257266), pp. 21-34. Penned by Associate Justice Richard D. Mordeno with Associate Justices Edgardo T. Lloren and Loida S. Posadas-Kahulugan, concurring.

⁶ *Id.* at 35-36.

⁷ In all of the cases, save for Civil Case No. 35,884-2014 subject of G.R. No. 257266.

raffled to Branches 17⁸ and 15 thereof, involving portions of a 76,200-square meter track of land located in Km. 12, Sasa, Davao City, covered by Transfer Certificate of Title (TCT) No. T-22361 (subject land) in the name of Spouses Dominador and Aurora De Guzman (Spouses De Guzman).⁹

The subject land was the object of a Receipt and Contract to Sell dated August 27, 1977 (subject contract) executed by Spouses De Guzman in favor of Antonio Bangoy (Antonio). The original copy of the owner's duplicate of TCT No. T-22361 was delivered and handed to Antonio upon execution of the subject contract. Subsequently, Antonio subdivided the land into what is known as the De Guzman Village Subdivision, and sold the subdivided lots to various individuals, including petitioners, who took actual possession thereof.¹⁰

Since the subject contract was not notarized and registered in TCT No. T-22361, title over the subject land remained in the name of Spouses De Guzman. Petitioners claimed that in 2010, respondents reasserted ownership thereon, and fearing that their home would be unjustly taken from them, they filed the complaints before the RTC.¹¹

For their part, respondents claimed ownership over the subject land, and contended that the complaint should be dismissed on the grounds of: (a) failure to state a cause of action as petitioners have not presented proof that Antonio had the authority to subdivide or sell any portion of the subject land; and (b) *res judicata* since a case involving the same parties, issues, and subject matter had earlier been filed with, and dismissed¹² by, the Housing and Land Use Regulatory Board (HLURB) in a Decision¹³ dated May 10, 1999, which found that Antonio acted without authority and misrepresented himself as the registered owner-seller of the lots. Accordingly, the HLURB declared null and void the sales to the homeowners, which include herein petitioners. Respondents further averred that similar cases filed by other buyers against Antonio were dismissed by other branches of the RTC of Davao City due to the application of *res judicata* on account of the said HLURB ruling.¹⁴

⁸ Except for the complaint of Irenn C. Mantilla.

⁹ *Rollo* (G.R. No. 257252), pp. 59.

¹⁰ *Id.*

¹¹ *Id.* at 59-60.

¹² In the said Decision, the HLURB found that Antonio caused the subdivision of the subject land and sold the subdivided lots to the public without the proper registration of the project and the corresponding license to sell, in violation of the provisions of PD 957 (The Subdivision and Condominium Buyers' Protective Decree). It likewise declared that the various contracts entered into by Antonio with the buyers of the subdivided lots were null and void, holding that Antonio never became the owner of the subject land in the absence of convincing evidence showing that: (a) Spouses De Guzman or their heirs authorized him to sell the same to the public; and (b) he had fully paid the purchase price for the subject land and a deed of sale was executed. Finally, it found that petitioners were not buyers in good faith considering their failure to exercise diligent efforts to ascertain Antonio's authority to sell the subdivided lots to the public. (*Id.* at 72-75)

¹³ *Id.* at 67-76.

¹⁴ *Id.* at 35-36. Including Civil Case No. 35,884-2014 before Branch 15 which is the subject of G.R. No. 257266.

The RTC Rulings

In separate Decisions,¹⁵ Branch 17 dismissed the complaints for quieting of title. It found that there was no valid transfer of ownership and possession from Spouses De Guzman to Antonio considering that the subject contract was not a contract of sale but merely a contract to sell subject to the suspensive condition of full payment of the purchase price, which was never fulfilled by Antonio. Moreover, as the same was never registered, it became inefficacious, and as such, there can be no rights or obligations that could arise therefrom. Hence, Antonio did not become the legal owner of the subject land that he subdivided into lots which he sold to petitioners as ownership remained with Spouses De Guzman. Accordingly, the RTC held that petitioners' claim cannot defeat that of respondents' who hold legal title thereto.¹⁶

¹⁵ All penned by Branch 17 Presiding Judge Evalyn M. Arellano-Morales, save for Civil Case No. 35,884-2014 which was penned by Branch 15 Presiding Judge Mario C. Duaves.

Civil Case No.	Petitioners	Date of Decision/Order
36,126-15	Eduardo C. Abayon, Sr. and Rosita A. Abayon	October 17, 2016 [<i>Rollo</i> (G.R. No. 257252) pp. 58-65]
34,890-13	Spouses Gregorio and Victoria Igot	August 17, 2016 [<i>Rollo</i> (G.R. No. 257253), pp. 59-67]
34,877-13	Felix B. Capin	June 30, 2016 [<i>Rollo</i> (G.R. No. 257254), pp. 58-66]
35,697-14	Jocelyn C. Ontuca	August 8, 2016 [<i>Rollo</i> (G.R. No. 257255), pp. 58-66]
34,874-13	Fructuoso B. Capirig, Jr.	June 29, 2016 [<i>Rollo</i> (G.R. No. 257256), pp. 58-68]
34,880-13	Lorenzo Grado	July 7, 2016 [<i>Rollo</i> (G.R. No. 257257), pp. 58-66]
34,881-13	Erlinda S. Famitanco	July 8, 2016 [<i>Rollo</i> (G.R. No. 257258), pp. 58-66]
34,879-13	Shirley V. Bernales	July 15, 2016 [<i>Rollo</i> (G.R. No. 257259), pp. 58-65]
34,813-12	Sps. Felix G. Dela Cerna, Jr. and Rhoda B. Dela Cerna, represented by Joan B. Gallarion	July 7, 2016 [<i>Rollo</i> (G.R. No. 257260), pp. 60-69]
34,889-13	Merlina M. Schaap	August 18, 2016 [<i>Rollo</i> (G.R. No. 257261), pp. 58-66]
34,882-13	Spouses Welliejado S. Sim and Maria T. Sim	July 15, 2016 [<i>Rollo</i> (G.R. No. 257262), pp. 57-66]
34,888-13	Alicia M. Villegas, represented by Twyla M. Booc	August 17, 2016 [<i>Rollo</i> (G.R. No. 257263), pp. 60-70]
34,814-12	Gerardo S. Napalit, Jr.	June 30, 2016 [<i>Rollo</i> (G.R. No. 257264), pp. 57-66]
35,630-14	Josefa J. Ayag	August 25, 2016 [<i>Rollo</i> (G.R. No. 257265), pp. 61-69]
35,884-2014 (Branch 15)	Irenn C. Mantilla	January 8, 2018 [<i>Rollo</i> (G.R. No. 257266), pp. 38-47]
35,696-14	Anastacia C. Campomanes	August 18, 2016 [<i>Rollo</i> (G.R. No. 257267), pp. 58-67]
34,884-13	Heirs of Marcelino Valdez, <i>et al.</i>	July 15, 2016 [<i>Rollo</i> (G.R. No. 257268), pp. 57-65]
35,545-2014	Analyn L. Cabrera- Lyford, represented by Jocelyn C. Ontuca	August 8, 2016 [<i>Rollo</i> (G.R. No. 257269), pp. 60-67]
34,885-13	Alfredo L. Posas	July 18, 2016 [<i>Rollo</i> (G.R. No. 257270), pp. 57-65]
34,887-13	Arnold S. Sicat	July 18, 2016 [<i>Rollo</i> (G.R. No. 257286), pp. 60-68]

¹⁶ *Rollo* (G.R. No. 257252) pp. 58-65.

On the other hand, Branch 15 issued an Order¹⁷ dated January 8, 2018, granting respondents' motion to dismiss the complaint filed by petitioner Irenn C. Mantilla (Mantilla), finding that the case is barred by *res judicata* by conclusiveness of judgment or issue preclusion considering that: (a) the HLURB's decision had attained finality; (b) the same was adjudicated on the merits by a body which has jurisdiction over the subject matter and the parties; (c) there was community of interest between the parties in the HLURB and the RTC cases; and (d) there was identity of issues considering that the HLURB resolved facts and issues that are addressed before the RTC, *i.e.*, the validity of the sales to petitioners.¹⁸

Petitioners' respective motions for reconsideration were denied,¹⁹ prompting them to elevate the matter to the CA. The cases decided by Branch 17 were thereafter consolidated in the Special Twenty-First Division of the CA,²⁰ while the case decided by Branch 15 went to the Twenty-Second Division.²¹

The CA Rulings

In a Decision²² dated July 2, 2020, the CA denied the appeals in CA-G.R. CV Nos. 04903-MIN to 04925-MIN and 04927-MIN and affirmed the rulings of Branch 17. It held that the subject contract was a contract to sell, not a contract of sale, and petitioners failed to prove that the purchase price had been paid in full, which would have resulted in the execution of the deed of sale. Thus, petitioners have no right to avail of the remedy of quieting of title considering that Antonio did not transfer any right to petitioners that may be enforced in court. Moreover, the case is barred by *res judicata* in the concept of conclusiveness of judgment — *i.e.*, as to the matter of the sale by Antonio to petitioners of the subdivided residential lots which had been conclusively adjudged as invalid because the former had neither the title nor the requisite authority to sell the land — which has set in with the finality of the HLURB Decision.²³

On the other hand, a Decision dated September 29, 2020²⁴ was issued in CA-G.R. CV No. 05499-MIN denying the appeal and affirming Branch 15's Orders finding that *res judicata* by conclusiveness of judgment applies

¹⁷ *Rollo* (G.R. No. 257266) pp. 38-47. Penned by Presiding Judge Mario C. Duaves.

¹⁸ *Id.* at 44-46.

¹⁹ *Rollo* (G.R. No. 257252) p. 66; *Rollo* (G.R. No. 257253), p. 68; *Rollo* (G.R. No. 257254), p. 67; *Rollo* (G.R. No. 257255), p. 67; *Rollo* (G.R. No. 257256), p. 69; *Rollo* (G.R. No. 257257), p. 67; *Rollo* (G.R. No. 257258), p. 67; *Rollo* (G.R. No. 257259), p. 66; *Rollo* (G.R. No. 257260), p. 70; *Rollo* (G.R. No. 257261), p. 67; *Rollo* (G.R. No. 257262), p. 67; *Rollo* (G.R. No. 257263), p. 71; *Rollo* (G.R. No. 257264), p. 67; *Rollo* (G.R. No. 257265), p. 70; *Rollo* (G.R. No. 257266), pp. 48-50; *Rollo* (G.R. No. 257267), p. 68; *Rollo* (G.R. No. 257268), p. 66; *Rollo* (G.R. No. 257269), p. 68; *Rollo* (G.R. No. 257270), p. 66; *Rollo* (G.R. No. 257286), p. 69.

²⁰ *Rollo* (G.R. No. 257252) pp. 34 and 36-37.

²¹ *Rollo* (G.R. No. 257266), pp. 21-34.

²² *Rollo* (G.R. No. 257252), pp. 21-42.

²³ *Id.* at 37-41.

²⁴ *Rollo* (G.R. No. 257266), pp. 21-34.

insofar as the quieting of title case involves material facts or questions which were in issue, and which have been adjudicated in the prior HLURB case. It pointed out that the HLURB tackled the related issue of whether or not the Deeds of Sale and Contracts to Sell executed by Antonio in petitioners' favor were valid, which is a matter within the HLURB's jurisdiction. It also held that there was community of interest between the parties in the HLURB and the RTC cases since Mantilla was suing for ownership on the basis of her purchase of the subdivision lot, which is predicated on the same allegations that her fellow subdivision lot owners interposed in the HLURB case.²⁵

Petitioners filed separate motions for reconsideration, which were denied in the Resolutions dated April 22, 2021²⁶ and April 28, 2021;²⁷ hence, the instant petitions separately filed by petitioners, which were thereafter consolidated.

The Issue Before the Court

The core issue for the Court's resolution is whether the quieting of titles subject of the separate complaints is barred by *res judicata* in the concept of conclusiveness of judgment.

The Court's Ruling

The petitions must be denied.

The Court finds no merit to petitioners' claim that the principle of *res judicata* by conclusiveness of judgment does not apply, grounded on the HLURB's supposed lack of jurisdiction.

Notably, the averred HLURB ruling had long become final and executory, and the homeowners involved therein, which include herein petitioners, never questioned its jurisdiction to declare Antonio as having no authority to sell the lands to the homeowners, accordingly nullifying the sales to them. They even allowed the said ruling to lapse into finality by failing to file an appeal. It was only when herein respondents raised the issue of *res judicata* that petitioners conveniently proffered the HLURB's alleged lack of jurisdiction.

In any case, the HLURB has jurisdiction over the complaint for specific performance filed before it. It is well to note that under Executive

²⁵ Id. at 29-33.

²⁶ *Rollo* (G.R. No. 257252), pp. 43-56.

²⁷ *Rollo* (G.R. No. 257266), pp. 35-36.

Order No. 648,²⁸ otherwise known as the “Charter of the Human Settlements Regulatory Commission” dated February 7, 1981, in relation to Section 1 (c) of Presidential Decree No. (PD) 1344,²⁹ the HLURB has the exclusive jurisdiction to hear and decide cases for specific performance of contractual and statutory obligations filed by buyers of subdivision lot or condominium unit against the owner, developer, broker or salesman. Thus, it is jurisprudentially recognized that when a buyer wants to compel a developer to conform with the terms of the contract it executed, jurisdiction lies with the HLURB.³⁰

Here, the complaint for specific performance before the HLURB was well within its jurisdiction because it involved a case filed by subdivision homeowners, seeking to compel Antonio as subdivision developer, and respondents as owners, to perform their obligations under PD 957,³¹ otherwise known as the “The Subdivision and Condominium Buyers’ Protective Decree” and the various Contracts to Sell and Deeds of Absolute Sale in their favor. Among others, it sought compliance with Section 17³² of PD 957 in light of the Register of Deeds’ refusal to register the homeowners’ Deeds of Sale in view of the non-submission of an approved subdivision plan, and the fact that Antonio was not the registered owner of the subject land. On the other hand, the complaint for quieting of title was filed to remove a cloud or prevent a cloud from being cast on petitioners’ interests in their respective portions in view of respondents’ assertion of ownership over the subject land.

From the foregoing, it is apparent that there is no identity of causes of action between the two cases. They were instituted due to different and separate acts and/or omission of respondents in violation of petitioners’ supposed rights — while the specific performance case sought to enforce the contract, the quieting of title case strived to remove a cloud on, and consequently, enjoy ownership of petitioners’ respective portions.

Nonetheless, the parties in the two cases share substantially the same interest, and as such are considered the same even though they are not identical. It is well settled that there is substantial identity of parties when there exists a community of interest between a party in the first case and a party in the second case, even if the latter was not impleaded in the first

²⁸ Entitled “REORGANIZING THE HUMAN SETTLEMENTS REGULATORY COMMISSION,” approved on February 7, 1981.

²⁹ Entitled “EMPOWERING THE NATIONAL HOUSING AUTHORITY TO ISSUE WRIT OF EXECUTION IN THE ENFORCEMENT OF ITS DECISION UNDER PRESIDENTIAL DECREE NO. 957,” approved on April 2, 1978.

³⁰ *Amoguis v. Ballado*, 839 Phil. 1, (2018).

³¹ Entitled “REGULATING THE SALE OF SUBDIVISION LOTS AND CONDOMINIUMS, PROVIDING PENALTIES FOR VIOLATIONS THEREOF,” approved on July 12, 1976.

³² Said Section pertinently provides:

Section 17. *Registration.* All contracts to sell, deeds of sale and other similar instruments relative to the sale or conveyance of the subdivision lots and condominium units, whether or not the purchase price is paid in full, shall be registered by the seller in the Office of the Register of Deeds of the province or city where the property is situated.

case. There is substantial identity of interest if the success or failure of one party materially affects the other. Thus, for purposes of *res judicata*, there is substantial identity of parties when parties represent the same interests in two separate actions.³³ It is even enough that there is privity between the parties in the first and second actions,³⁴ as in this case.

There is likewise identity of the underlying issues in the two actions. There is identity of issues when a competent court or tribunal has adjudicated the fact, matter, or right, or when the fact, matter, or right was necessarily involved in the determination of the action.³⁵ If the judgment in the second action depends on the determination of a particular point or question in issue, a prior judgment between the same parties or their privies adjudicating that same point or question will be final and conclusive to the second suit.³⁶ Thus, if the fact or matter litigated in the first case is re-litigated in the second case, it is barred by *res judicata* by conclusiveness of judgment.³⁷

There is *res judicata* by conclusiveness of judgment when all the following elements are present: (1) the judgment sought to bar the new action must be final; (2) the decision must have been rendered by a court having jurisdiction over the subject matter and the parties; (3) the disposition of the case must be a judgment on the merits; and (4) there must be as between the first and second actions, identity of parties, but not identity of causes of action.³⁸

All the above-mentioned elements are present in the instant case.

First, the HLURB Decision had long attained finality.

Second, the HLURB has jurisdiction to determine the contractual obligations of petitioners and respondents, as buyers and owners of subdivision lots, respectively, under the terms and conditions of the Contracts to Sell and the Deeds of Absolute Sale executed by the developer, Antonio, *vis-à-vis* the provisions of PD 957.

Third, the HLURB Decision had finally adjudged the matter of petitioners' rights over the property in issue. Notably, in determining the contractual obligations of the parties, the HLURB tackled the issue of whether or not the Contracts to Sell and Deeds of Absolute Sale executed by Antonio in favor of petitioners are valid, and thus, necessarily passed upon Antonio's right/authority to sell, as well as petitioners' consequent rights.

³³ *Heirs of Gabule v. Jumoad*, G.R. No. 211755, October 7, 2020.

³⁴ *Presidential Decree No. 1271 Committee v. De Guzman*, 801 Phil. 731 (2016).

³⁵ *Id.*

³⁶ *Heirs of Elliot v. Corcuera*, G.R. No. 233767, August 27, 2020.

³⁷ *Aquino-Nagai v. Hong*, G.R. No. 230142 (Notice), November 24, 2021.

³⁸ *Id.* See also *Heirs of Elliot v. Corcuera*, *supra* note 34.

Verily, in determining petitioners' rights in their respective actions for quieting of title, the validity of the Contracts to Sell and Deeds of Absolute Sale from which they anchor their right is a material, if not a decisive, factor. Since the issue of validity of the said documents and the rights emanating therefrom had been finally resolved by the HLURB, the same issue cannot be litigated again in the instant cases for quieting of title without virtually impeaching the correctness of the final HLURB Decision.

Fourth, the parties in the HLURB case and the RTC cases are substantially the same. Certainly, there is community of interests between Doña Caridad & De Guzman Subdivision Home Lot Owners, and herein petitioners who are members of the said association.

But even if the Court is to disregard the application of the principle of *res judicata* by conclusiveness of judgment, the instant petitions would still fail for lack of merit.

Verily, two requisites must concur for an action for quieting of title to prosper, namely: (1) the plaintiff has a legal or equitable title or interest in the real property subject of the action; and (2) the deed, claim, encumbrance, or proceeding claimed to be casting cloud on his or her title must be shown to be in fact invalid or inoperative despite its *prima facie* appearance of validity or legal efficacy.³⁹ Legal title denotes registered ownership, while equitable title means beneficial ownership.⁴⁰

However, petitioners have neither legal nor equitable title to their respective portions as they did not derive any rights from Antonio who himself acquired no rights from Spouses De Guzman under the Receipt and Contract to Sell. An agreement stipulating that the execution of the deed of sale shall be contingent on the full payment of the purchase price is a contract to sell.⁴¹ Under a contract to sell, the title of the thing to be sold is retained by the seller until the purchaser makes full payment of the agreed purchase price. Such payment is a positive suspensive condition, the non-fulfillment of which is not a breach of contract but merely an event that prevents the seller from conveying title to the purchaser and renders the contract to sell ineffective and without force and effect.⁴²

As aptly pointed out by the CA, the contract between Spouses De Guzman and Antonio is a Contract to Sell as the same was subject to the suspensive condition of payment of the purchase price, which was not

³⁹ *Spouses Aranas v. Dela Cruz*, G.R. No. 210199 (Notice), September 11, 2019.

⁴⁰ *Residents of Lower Atab & Teachers' Village v. Sta. Monica Industrial & Development Corp.*, 745 Phil. 554, 563 (2014).

⁴¹ *Spouses Francisco v. Battung*, G.R. No. 212740, November 13, 2019.

⁴² *Estipona v. Estate of Aquino*, G.R. No. 207407 (Resolution), September 29, 2021, citing *Ayala Life Assurance, Inc. v. Ray Burton Development Corp.*, 515 Phil. 431 (2006).

shown to have been fulfilled. Consequently, he did not acquire ownership over the subject lands⁴³ which he can validly convey to petitioners.

FOR THESE REASONS, the instant petitions are **DENIED**. The Decision dated July 2, 2020 and the Resolution dated April 22, 2021 of the Court of Appeals in CA-G.R. CV Nos. 04903-MIN to 04925-MIN, and 04927-MIN, as well as the Decision dated September 29, 2020 and the Resolution dated April 28, 2021 in CA-G.R. CV No. 05499-MIN are hereby **AFFIRMED**.

SO ORDERED.”

By authority of the Court:

TERESITA AQUINO TUAZON
Division Clerk of Court

By:



MA. CONSOLACION GAMINDE-CRUZADA
Deputy Division Clerk of Court ^{mn} 726
20 JUL 2023

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⁴³ *Ursal v. Court of Appeals*, 509 Phil. 628 (2005).

HON. PRESIDING JUDGE (reg)
Regional Trial Court, Branch 17
Davao City
(Civil Case Nos. 36, 126-15, 34, 890-13; 34, 877-13; 35, 697-14;
34, 874-13; 34, 880-13; 34, 881-13; 34, 879-13; 34, 813-12;
34, 889-13; 34, 882-13; 34, 888-13; 34, 814-12; 35, 630-14;
35, 696-14; 34, 884-13; 35, 545-2014; 34-885-13 & 34, 887-13)

HON. PRESIDING JUDGE (reg)
Regional Trial Court, Branch 15
Davao City
(Civil Case No. 35, 884-2014)

COURT OF APPEALS (reg)
Mindanao Station
Cagayan de Oro City
CA-G.R. CV Nos. 04903-MIN to 04925-MIN & 04927-MIN

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