



REPUBLIC OF THE PHILIPPINES  
SUPREME COURT  
Manila

SECOND DIVISION

**NOTICE**

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **January 23, 2023** which reads as follows:*

**“G.R. No. 258679 [Formerly UDK 17091] (Teresa Magbago de Vera\* and Ana M. Endozo, Petitioners v. Fil-Estate Properties, Inc., Registry of Deeds of Batangas, Nasugbu Branch, and Advent Capital & Finance Corporation, Respondents).** — This Court resolves a Petition for Review on *Certiorari*<sup>1</sup> filed by petitioners Teresa Magbago de Vera (*Teresa*) and Ana M. Endozo (*Ana*), seeking to reverse and set aside the Decision<sup>2</sup> and the Resolution<sup>3</sup> of the Court of Appeals (*CA*) in CA-G.R. CV No. 108711.

Briefly, the assailed Decision denied Teresa and Ana’s appeal and affirmed the Order<sup>4</sup> of the Regional Trial Court (*RTC*), which dismissed the Complaint for Declaration of Nullity filed by Teresa and Ana against respondents Fil-Estate Properties, Inc. (*Fil-Estate*), Registry of Deeds of Batangas, Nasugbu Branch (*Registry of Deeds of Nasugbu*), and Advent Capital & Finance Corporation (*Advent Capital*). On the other hand, the impugned Resolution denied their motion for reconsideration.

The present case stemmed from a Complaint for Declaration of Nullity of Ownership of Title and Plan Pcs-04-011978 and all Technical Data Produced from Same Plan<sup>5</sup> filed by Teresa and Ana, together with Aurea Magbago Mundo, Cecilia Magbago Vitales-Socorro, and Teresita Magbago Jimenez (*Heirs of Magbago*), against Fil-Estate, Registry of Deeds of Nasugbu, and Advent Capital.

\* Also referred to as “Teresa Magbago De Vera” in some parts of the *rollo*.

<sup>1</sup> *Rollo*, p. 22–64.

<sup>2</sup> *Id.* at 133–143. The December 20, 2019 Decision was penned by Associate Justice Louis P. Acosta, and concurred in by Associate Justices Ramon M. Bato, Jr. and Nina G. Antonio-Valenzuela of the Sixth Division, Court of Appeals, Manila.

<sup>3</sup> *Id.* at 145–147. The June 11, 2021 Resolution was penned by Associate Justice Louis P. Acosta, and concurred in by Associate Justices Ramon M. Bato, Jr. and Nina G. Antonio-Valenzuela of the Former Sixth Division, Court of Appeals, Manila.

<sup>4</sup> *Id.* at 87–91. The November 17, 2016 Order in Civil Case No. 1356 was penned by Presiding Judge Mercedes Dagdag-Lindog of Branch 14, Regional Trial Court, Nasugbu, Batangas.

<sup>5</sup> *Id.* at 68–76.

In the Complaint, the Heirs of Magbago alleged that they are the heirs of Aniceta Magbago de Vera (*Aniceta*), Santos Magbago, Ramona Magbago-Pedraza, Flaviana Magbago-Mendoza, and Artemio Magbago, who were the co-owners and registered owners of a parcel of land consisting of 71,606 square meters and covered by Transfer Certificate of Title (*TCT*) No. 6680. They claimed that the said property had never been sold, donated, or encumbered. The original copy of the owner's duplicate copy of TCT No. 6680 had been in the possession of Aniceta until she surrendered the same on August 7, 2014 to the RTC for the reconstitution of TCT No. 6680. However, Aniceta died on October 1, 2014.<sup>6</sup>

The Heirs of Magbago further averred that the Registry of Deeds of Nasugbu issued a certification that the copy of TCT No. 6680 can no longer be found in its files. They claimed that prior to the issuance of the said certification, Aniceta managed to secure a copy of TCT No. 6680 from the Registry of Deeds of Nasugbu, proving that a copy of TCT No. 6680 was once in the files of the same registry office. Later on, they discovered that the same copy of TCT No. 6680 was intentionally pulled out from the Registry's files and thrown away to hide the falsified acts done, which resulted in the cancellation of TCT No. 6680 and consolidation of lots under Plan Pcs-04-011978. In view of the said cancellation of TCT No. 6680, the Heirs of Magbago alleged that a total of 102 certificates of title were issued in the name of Fil-Estate and 26 certificates of title were issued in favor of Advent Capital.<sup>7</sup>

The Heirs of Magbago likewise claimed that since the owner's duplicate copy of TCT No. 6680 had been in the custody of Aniceta and her daughter, Teresa until they surrendered the same to the RTC in 2014, the alleged cancellation of TCT No. 6680 which led to the issuance of new certificates of title in favor of Fil-Estate and Advent Capital could not have happened. Hence, for being null and void, they pray for the declaration of nullity and cancellation of these new certificates of title.<sup>8</sup>

The Heirs of Magbago added that they were not praying for the reconveyance of the property due to lack of funds. Thus, the docket and legal fees to be paid were only the basic fees for a petition for declaration of nullity.<sup>9</sup>

For its part, a Motion to Dismiss<sup>10</sup> was filed by Fil-Estate contending that the RTC has no jurisdiction over the case for failure to pay the correct docket fees and for failure to state a cause of action.<sup>11</sup>

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<sup>6</sup> *Id.* at 69–71.

<sup>7</sup> *Id.* at 72–75.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 75.

<sup>10</sup> *Id.* at 207–216.

<sup>11</sup> *Id.* at 136.

In its Order,<sup>12</sup> the RTC granted the Motion and dismissed the complaint ruling that an action for the declaration of nullity of title, as in this case, is a real action. Thus, the docket fees should be based on the fair market value of the property. However, the docket fees paid by the Heirs of Magbago were not based on the value of the property, as in fact, they did not even allege the value of the property in the complaint. The officer-in-charge or the docket clerk had no basis to compute the correct docket fees. Since the payment of the prescribed and correct docket fees is a condition for the court to acquire jurisdiction, the failure of the Heirs of Magbago to pay the correct docket fees warranted the dismissal of the complaint for lack of jurisdiction.<sup>13</sup>

Furthermore, the RTC opined that the Heirs of Magbago failed to state a cause of action. Their allegation that they were the daughters of the co-owners of the property who were allegedly deceased was not enough. The said allegation did not make them automatically the co-owners of the property. They also did not state that they were claiming ownership, as heirs over the land in question. Not being owners of the land, they do not have the personality to file the suit against Fil-Estate and Advent Capital.<sup>14</sup>

The dispositive portion of the RTC Order reads:

WHEREFORE, following the foregoing discussion, the court finds the Motion to Dismiss filed by the defendant Fil-Estate Properties, Inc. (FEPI) meritorious and hereby grants the same. Accordingly, this case is hereby DISMISSED for failure of the petitioners to pay the correct docket fees amounting to lack of jurisdiction and for failure to state a cause of action.

It is worth-mentioning, however, since it was alleged in the complaint that Aniceta Magbago de Vera previously filed a Petition for Reconstitution of TCT No. 6680 for herself and in behalf of her co-owners, that said petition for reconstitution which was docketed as Land Registration Case (LRC) Case P-554 was granted by the court on August 22, 2016 and that the court ordered the Register of Deeds to reconstitute the original copy of TCT No. 6680 and issue the corresponding owner's duplicate copy of the certificate of title reconstituted.

SO ORDERED.<sup>15</sup>

On November 2016, the Heirs of Magbago filed a Motion for Reconsideration, but to no avail, as the RTC denied the same in its Order.<sup>16</sup>

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<sup>12</sup> *Id.* at 87–91.

<sup>13</sup> *Id.* at 89–90.

<sup>14</sup> *Id.* at 90–91.

<sup>15</sup> *Id.* at 91.

<sup>16</sup> *Id.* at 231. The February 27, 2017 Order in Civil Case No. 1356 was penned by Presiding Judge Mercedes Dagdag-Lindog of Branch 14, Regional Trial Court, Nasugbu, Batangas.

Unperturbed by the setback, the Heirs of Magbago interposed an appeal before the CA.

On December 20, 2019, the CA rendered the assailed Decision, which denied the Heirs' appeal and affirmed the findings of the RTC. More specifically, the CA held that the Complaint filed by the Heirs of Magbago is a real action as it involves title to land and the jurisdiction over which is determined by the assessed value of the property. However, the Heirs of Magbago purposely did not allege in the complaint the assessed value of the subject property to determine which court has jurisdiction over the case.<sup>17</sup>

In addition, the CA held that the Complaint is dismissible for failure to state a cause of action. According to the CA, the Heirs of Magbago merely alleged that they were the daughters of the co-owners of the subject property without any proof that the said co-owners were already deceased. Since they were not the registered owners and without authority to represent the co-owners, hence, they are not the real party in interest, and thus, have no personality to pursue the complaint against Fil-Estate and Advent Capital.<sup>18</sup>

Unyielding, the Heirs of Magbago moved for reconsideration, but the same was denied by the CA in its impugned Resolution.<sup>19</sup>

Seeking further recourse, the Heirs of Magbago resorted to this present Petition.<sup>20</sup>

In the main, Teresa and Ana bewail that there was a sufficient allegation in the complaint that their parents, who were the co-owners of the subject property, were already dead at the time of the filing of the complaint. At the moment of their death, they had become the co-owners of the subject property by operation of law. Accordingly, they had a legal personality to file the suit on their own right as heirs and for the benefit of all the other co-owners. Thus, it was erroneous on the part of the CA to conclude that they were not the real party in interest and ultimately affirm the dismissal of the complaint for failure to state a cause of action.<sup>21</sup>

In the same vein, Teresa and Ana lament that the CA erred in upholding the dismissal of the complaint based on lack of jurisdiction. Teresa and Ana insist that the complaint filed is only for the declaration of nullity and cancellation of the certificates of title issued in favor of the Fil-Estate and Advent Capital. They do not pray for the reconveyance of the

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<sup>17</sup> *Id.* at 139–140.

<sup>18</sup> *Id.* at 141–142.

<sup>19</sup> *Id.* at 145–147.

<sup>20</sup> *Id.* at 22–64.

<sup>21</sup> *Id.* at 59–62.

subject property for it to be considered a real action, in which the computation of docket fees is based on the assessed value of the property.<sup>22</sup>

Prefatorily, this Court shall delve into the issue of whether the CA erred in affirming the dismissal of the complaint on the ground of failure to state a cause of action.

Settled is the rule that “a case is dismissible for lack of personality to sue upon proof that the plaintiff is not the real party in interest, hence, grounded on failure to state a cause of action.”<sup>23</sup>

Pertinently, Section 2, Rule 3 of the Revised Rules of Court requires that unless otherwise authorized by law or the Rules of Court, every action must be prosecuted or defended in the name of the real party in interest or the one who stands to be benefited or injured by the judgment in the suit, or the party entitled to avail of the suit.

In this case, the CA held that Teresa and Ana failed to state a cause of action because they merely alleged in the complaint that they were the children of the co-owners of the subject property without alleging that all their parents were already dead, apart from Aniceta. According to the CA, without proof of the death of the co-owners, Teresa and Ana have no legal personality to pursue the case against Fil-Estate, Registry of Deeds of Nasugbu, and Advent Capital, as they were not registered owners of the subject property. Material portions of the CA’s Decision are quoted as follows:

In their Complaint, [petitioners] even stated that they are the children of the alleged co-owners of the subject property under TCT No. 6680, i.e, Aniceta Magbago de Vera, Santos Magbago, Ramona Magbago-Pedraza, Flaviana Magbago-Mendoza, and Artemio Magbago. *Among the said co-owners, it was alleged in the Complaint that only Aniceta Magbago de Vera died.*

*Without proof of death of the other co-owners, [petitioners] have no legal personality to pursue the case against [respondents] as they are not the registered owners of the subject property. [Petitioners] also failed to adduce proof that they are authorized by the registered owners to institute the Complaint against the [respondents][.]*

Considering that [petitioners] are not the registered owners of the subject property, [respondents] neither violated their rights nor breached any obligation in violation of their supposed rights. *Perforce, as [petitioners] are not the real party in interest in this case, the Complaint*

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<sup>22</sup> *Id.* at 36–49.

<sup>23</sup> *Philippine Numismatic and Antiquarian Society v. Aquino*, 804 Phil. 508, 522 (2017) [Per J. Peralta, Second Division].

*must be dismissed for failure to state a cause of action.*<sup>24</sup> (Emphases supplied)

We disagree with the findings of the CA. A careful perusal of the complaint unmistakably shows that Teresa and Ana had sufficiently alleged that they are filing the suit in their capacity as heirs of their deceased parents who were the co-owners of the subject property. The first paragraph of Teresa and Ana's complaint contains the following averments:

The petitioners on their own *right as heirs of their respective decedents who are all co-owners* of a parcel of land that was conveyed to defendant Fil-Estate Properties, Inc. in a transaction that is null and void.<sup>25</sup> (Emphasis supplied)

The use of the term "decedent" in this case implies that all the respective parents of Teresa and Ana from whom they derive their right as heirs and co-owners of the subject property were already dead at the time of the filing of the complaint. Thus, adverse to the findings of the CA, there is a sufficient allegation that all the parents of Teresa and Ana, and not only Aniceta had already died at the time of the filing of the complaint.

Correlatively, Article 777 of the New Civil Code provides that successional rights are transmitted from the moment of death of the decedent. Meanwhile, Article 776 of the same Code expressly states that "inheritance includes all the properties, rights and obligations of a person, not extinguished by his death." Thus, "from the moment of the death of the decedent, the heirs become the absolute owners of his [or her] property, subject to the rights and obligations of the decedent."<sup>26</sup> The right of the heirs to the property of the deceased vests in them without the need for further proceedings. Instructive on this point is the case of *Treyes v. Larlar*.<sup>27</sup>

Article 777 of the Civil Code, which states that the rights of succession are transmitted from the moment of the death of the decedent.

The operation of Article 777 occurs at the very moment of the decedent's death – the transmission by succession occurs at the precise moment of death and, therefore, *the heir is legally deemed to have acquired ownership of his/her share in the inheritance at that very moment*, "and not at the time of declaration of heirs, or partition, or distribution."

Hence, *the Court has held that the "[t]itle or rights to a deceased person's property are immediately passed to his or her heirs upon death.*

<sup>24</sup> *Rollo*, pp. 141–142.

<sup>25</sup> *Id.* at 69.

<sup>26</sup> *Bonilla v. Barcena*, 163 Phil. 516 (1976) [Per J. Martin, First Division].

<sup>27</sup> G.R. No. 232579, September 08, 2020 [Per J. Caguioa, *En Banc*].

*The heirs' rights become vested without need for them to be declared 'heirs.' ”<sup>28</sup> (Citations omitted and emphasis supplied)*

Evidently, it is not required that Teresa and Ana should be the registered owners of the subject property before they could prosecute and maintain the suit against Fil-Estate, Registry of Deeds of Nasugbu, and Advent Capital. By operation of the law, the title and rights of their respective deceased parents over the subject property had been transmitted to them, and by virtue of which, they can pursue the case on their own right as heirs.

Moreover, this Court is hard-pressed to affirm the findings of the CA that “without proof of the death of the co-owners,” Teresa and Ana had no legal personality to pursue the case against Fil-Estate, Register of Deeds of Nasugbu, and Advent Capital.

In resolving “a Motion to Dismiss based on failure to state a cause of action, only the facts alleged in the complaint must be considered.”<sup>29</sup> This is because a motion to dismiss based on the said ground must hypothetically admit the truth of the factual allegations made in a complaint.<sup>30</sup> The test of the sufficiency of the facts is whether or not accepting the veracity of the facts alleged, the court could render a valid judgment upon the same in accordance with the prayer of the complaint.<sup>31</sup> Stated differently, to determine whether or not a complaint states a cause of action, only the facts alleged therein and no other matter may be considered, and the court may not inquire into the truth of the allegations and find them to be false before trial on the merits.<sup>32</sup> Conversely, it is improper to inject into the allegations of the complaint facts not alleged or proved and use these as bases for resolving the motion.<sup>33</sup>

Indisputably, the CA should have limited itself to examining the sufficiency of the allegations in the Complaint. It was proscribed from inquiring into the truth of the allegations of the Complaint as these were deemed hypothetically admitted by Fil-Estate and Advent Capital. The point of inquiry is not concerned with proof of that cause of action but whether such cause of action has been sufficiently alleged in the complaint. Assuming that Teresa and Ana had not presented proof that the co-owners of the subject property were all dead, the issue should be threshed out during

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<sup>28</sup> *Id.* at 15. This pinpoint citation refers to the copy of this Decision uploaded to the Supreme Court website.

<sup>29</sup> *Peltan Development, Inc. v. Court of Appeals*, 336 Phil. 824, 833 (1997) [Per J. Panganiban, Third Division].

<sup>30</sup> *Philippine National Bank v. Spouses Encina*, 568 Phil. 552, 558 (2008) [Per J. Tinga, Second Division].

<sup>31</sup> *Zapanta v. Rustan Commercial Corporation*, G.R. No. 248063, September 15, 2021 [Per J. Carandang, Third Division] at 9. This pinpoint citation refers to the copy of this Decision uploaded to the Supreme Court website.

<sup>32</sup> *Evangelista v. Santiago*, 497 Phil. 269, 286 (2005) [Per J. Chico-Nazario, Second Division].

<sup>33</sup> *Id.*

trial on the merits and not in a motion to dismiss based on failure to state a cause of action.

In sum, the CA seriously erred when it affirmed the dismissal of the complaint based on the ground of failure to state a cause of action. As shown above, Teresa and Ana had sufficiently alleged that they were the real party in interest being the heirs of their respective decedents who were the co-owners of the subject property.

In any case, while Teresa and Ana had sufficiently alleged cause of action, this Court finds that the dismissal of the complaint was proper for failure to pay the correct docket fees, which amounted to lack of jurisdiction.

Basic is the rule that the payment of docket and other legal fees is both mandatory and jurisdictional. The court acquires jurisdiction over the case only upon the payment of the prescribed fees.<sup>34</sup> Nevertheless, the nonpayment of the docket fees at the time of the filing of the complaint or initiatory pleading does not automatically result in the dismissal of the case so long as the docket fees are paid within a reasonable time but in no case beyond the reglementary period.<sup>35</sup>

As this Court clarified in *Sun Insurance Office, Ltd. v. Judge Asuncion* that:<sup>36</sup>

[I]t is not simply the filing of the complaint or appropriate initiatory pleading, but the payment of the prescribed docket fee that vests a trial court with jurisdiction over the subject matter or nature of the action. Where the filing of the initiatory pleading is not accompanied by payment of the docket fee, the court may allow payment of the fee within a reasonable time but in no case beyond the applicable prescriptive or reglementary period.<sup>37</sup>

Succinctly, to ascertain whether the correct amount of docket fees had been paid, it is essential to determine the true nature of the complaint filed. Case law instructs that the nature of an action, as well as which court or body has jurisdiction over it, is determined based on the allegations contained in the complaint of the plaintiff, irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein.<sup>38</sup> Otherwise stated, the averments in the complaint and the character of the relief sought are the ones to be consulted.<sup>39</sup>

<sup>34</sup> *Gipa v. Southern Luzon Institute*, 736 Phil. 515, 527 (2014) [Per J. Del Castillo, Second Division].

<sup>35</sup> *Gaw, Jr. v. Commissioner of Internal Revenue*, 836 Phil. 773 (2018) [Per J. Tijam, First Division].

<sup>36</sup> 252 Phil. 280 (1989) [Per J. Gancayco, *En Banc*].

<sup>37</sup> *Id.* at 291.

<sup>38</sup> *Palacat v. Heirs of Hontanosas*, G.R. No. 237178, December 02, 2020 [Per J. Zalameda, First Division] at 6. This pinpoint citation refers to the copy of this Decision uploaded to the Supreme Court website.

<sup>39</sup> *Anama v. Citibank, N.A.*, 822 Phil 630, 639 (2017) [Per J. Chico-Nazario, Second Division].



In their Complaint,<sup>40</sup> Teresa and Ana made the following allegations:

The petitioners on their own right as heirs of their respective decedents who are all co-owners of a parcel of land that was conveyed to defendant Fil-Estate Properties, Inc. in a transaction that is null and void.

1. The petitioners here are Teresa Magbago [d]e Vera, Aurea Magbago Mundo, Cecilia Magbago Vitales-Socorro[,] and Teresita Magbago Jimenez[.]
2. Teresa is a daughter of Aniceta Magbago [d]e Vera.
3. Aurea is a daughter of Santos Magbago.
4. Cecilia is a daughter of Ramona Magbago-Pedraza;
5. Teresita is a daughter of Flaviana Magbago-Pedraza;
6. Aniceta Magbago de Vera, Santos Magbago, Ramona Magbago-Pedraza[,] and Flaviana Magbago-Mendoza as well as Artemio Magbago are co-owners of the said parcel of land covered Transfer Certificate of Title (TCT) No. 6680 of the Registry of Deeds of Batangas-Nasugbu Branch;
12. The same parcel of land has never been sold, never been donated[,] and never been encumbered by whatever means;
14. The only ORIGINAL copy of the Owner's Duplicate Copy of TCT No. 6680 had been in the hands or possession or custody of Aniceta Magbago [d]e Vera;
20. In the case at hand, the plaintiffs learned that the copy of TCT No. 6680 that was held in custody by the Registry of Deeds of Nasugbu, Batangas was no longer in the files of the same Registry and this knowledge came to them just before Aniceta Magbago de Vera filed her petition for reconstitution of TCT No. 6680;
22. The Registry of Deeds of Nasugbu issued a certification that the copy of the TCT No. 6680 in its custody was no longer found in its files[.]
23. Actually, long before the issuance of the same certification of loss of the original copy in the custody of the Registry of Deeds of Nasugbu, Aniceta Magbago managed to secure a copy of TCT No. 6680 from the same Registry of Deeds of Nasugbu[.]

<sup>40</sup> Rollo, pp. 68-76.

24. It was learned later that the same copy of TCT No. 6680 that was supposed to be in the possession of the Registry of Deeds of Nasugbu was intentionally pulled out from the Registry's files and thrown away in order to hide the acts of falsification done in the bid to hide the fact that the supposed consolidation of lots under Plan Pcs-04-011978 including the lot of TCT No. 6680;
25. The falsification acts were done and this resulted in the nullity of the supposed cancellation of TCT No. 6680 on October 9, 2001;
26. The null-and-void cancellation of TCT No. 6680 along with others resulted in the issuance of 102 certificates of title all in the name of FIL-ESTATE PROPERTIES, INC.;
27. The fact that the OWNER'S DUPLICATE CERTIFICATE copy of TCT No. 6680 was still in the hands of Aniceta Magbago and the same stayed in the hands of Aniceta Magbago and her daughter Teresa Magbago De Vera until they surrendered the same to the Regional Trial Court of Nasugbu . . . , then it was impossible for the conveyance and survey plan Pcs-04-011972 to happen or exist;
28. And if the supposed conveyance and survey plan Pcs-04-011978 was impossible to happen because TCT No. 6680 was not cancelled, then all the certificates of title issued out of Pcs-04-011978 are null and void too[.]
- ...
30. At least Twenty-Six (26) certificates of title were cancelled and transferred to the name of Advent Capital & Financing Corporation[.]<sup>41</sup>

A cursory reading of the foregoing allegations in the complaint manifestly shows that Teresa and Ana are seeking to declare null and void and to cancel the 102 certificates of title issued in the name of Fil-Estate and 26 certificates of title issued in the name of Advent Capital, which supposedly were derived from the spurious cancellation of TCT No. 6680 registered in the name of their deceased parents. In the prayer portion of the complaint, Teresa and Ana also prayed for the following reliefs:

WHEREFORE, it is respectfully prayed that the Court to DECREE that all certificates of title mentioned in Paragraph 28 of the complaint above and the subsequent certificates of title that are actually derivatives of any of the certificates of title mentioned in paragraph 28 be declared null and void and direct the Registry of Deeds of Batangas, Nasugbu Branch, to cancel these certificates of title.

Other reliefs just and equitable are also prayed for.<sup>42</sup>

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<sup>41</sup> *Id.*

<sup>42</sup> *Id.* at 75.

Based on the foregoing averments and the character of the reliefs sought, this Court adopts the findings of the CA that the complaint filed by Teresa and Ana is a real action, which, as opposed to a personal action, is one which affects the title to or possession of real property or interest therein.<sup>43</sup> “An action ‘involving title to real property’ means that the plaintiff’s cause of action is based on a claim that he [or she] owns such property or that he [or she] has the legal rights to have exclusive control, possession, enjoyment, or disposition of the same.”<sup>44</sup> Title is the “legal link between (1) a person who owns property and (2) the property itself.”<sup>45</sup>

In seeking to nullify and cancel the certificates of title of Fil-Estate and Advent Capital, Teresa and Ana’s primary objective is to recover real property. Before the reliefs prayed for by them can be granted, the issue of who between the contending parties has the valid title to the subject property must first be determined before a ruling can be made as to who between them is legally entitled to the certificate of title covering the property in question. Put differently, the complaint filed is not simply a case for cancellation of title but involves the determination of who between the conflicting parties is the lawful owner of the subject property and ultimately entitled to its possession and enjoyment. Thus, while it may be true that Teresa and Ana do not directly seek the recovery of the property or its reconveyance, the same does not operate to efface the true objectives and nature of the action which is to recover real property. Jurisprudence teems with pronouncements that “actions for reconveyance of or for cancellation of title to or to quiet title over real property are actions that fall under the classification of cases that involve title to, or possession of, real property, or any interest therein.”<sup>46</sup>

Verily, since the complaint filed partakes the nature of real action, the basis for determining the correct docket fees is the fair market value of the property in litigation as stated in the current tax declaration or the current zonal valuation of the Bureau of Internal Revenue, whichever is higher, or if there is none, the stated value of the property pursuant to Section 7, Rule 141 of the Rules of Court, as amended and Office of the Court Administrator Circular No. 256-2022. If the same is not alleged, there is no basis to determine which court has exclusive jurisdiction over the action.<sup>47</sup>

Unfortunately, and evidently, to evade the payment of the correct docket fees, Teresa and Ana purposely did not disclose or allege in the

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<sup>43</sup> REVISED RULES OF COURT, Rule 4, sec. 1.

<sup>44</sup> *Heirs of Generoso Sebe v. Heirs of Veronico Sevilla*, 618 Phil. 395, 407 (2009) [Per J. Abad, Second Division].

<sup>45</sup> *The Heirs of the Late Spouses Ramiro v. Spouses Bacaron*, G.R. No. 196874, February 6, 2019 [Per J. Jardeleza, First Division] at 8. This pinpoint citation refers to the copy of this Decision uploaded to the Supreme Court website.

<sup>46</sup> *Liu v. Court of Appeals*, G.R. No. 238805, September 23, 2020 [Per J. Inting, Second Division] at 7. This pinpoint citation refers to the copy of this Decision uploaded to the Supreme Court website.

<sup>47</sup> *Gabrillo v. Heirs of Olimpio Pastor*, G.R. No. 234255, October 02, 2019, 921 SCRA 439, 447 [Per J. Reyes, J. Jr., Second Division].

complaint any of the foregoing valuations to serve as the basis for the receiving clerk in computing and arriving at the proper amount of docket fees due thereon, and correlatively, for the proper determination of the court which has exclusive jurisdiction over the action. Thus, for failure to pay the correct docket fees, the RTC is deemed to have not acquired jurisdiction over the case warranting the dismissal of the complaint.

On this score, the CA did not err in upholding the dismissal of the complaint for lack of jurisdiction. Consequently, no cogent reason exists to reverse or set aside its challenged rulings much less for this Court to exercise its discretionary appellate jurisdiction.

**FOR THESE REASONS**, the Petition is **DENIED**. The Decision dated December 20, 2019 and the Resolution dated June 11, 2021 of the Court of Appeals in CA-G.R. CV No. 108711 are **AFFIRMED**. The Complaint for Declaration of Nullity of Ownership of Title and Plan Pcs-04-011978 and all Technical Data Produced from Same Plan against respondents Fil-Estate Properties, Inc., Registry of Deeds of Batangas, Nasugbu Branch, and Advent Capital & Finance Corporation is **DISMISSED**.

**SO ORDERED.”**

By authority of the Court:



TERESITA AQUINO TUAZON  
Division Clerk of Court <sup>mm</sup> 9/15

15 SEP 2023

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HON. PRESIDING JUDGE (reg)  
Regional Trial Court, Branch 14  
Nasugbu, Batangas  
(Civil Case No. 1356)

REGISTRY OF DEEDS BATANGAS (reg)  
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