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WHEREFORE, the petition is *DENIED*. The Decision dated May 30, 2001 and Resolution dated October 23, 2001 of the Court of Appeals in CA-G.R. CV No. 60712 are *AFFIRMED*.

With costs against the petitioner.

SO ORDERED.

Carpio Morales (Chairperson), Brion, Bersamin, and *Sereno, JJ.,* concur.

FIRST DIVISION

[G.R. No. 166838. June 15, 2011]

STA. LUCIA REALTY & DEVELOPMENT, INC., *petitioner, vs.* **CITY OF PASIG,** *respondent.*

MUNICIPALITY OF CAINTA, PROVINCE OF RIZAL, *intervenor.*

SYLLABUS

1. TAXATION; REAL PROPERTY TAXES; LOCAL GOVERNMENT UNIT IS AUTHORIZED UNDER SEVERAL LAWS TO COLLECT REAL PROPERTY TAX ON PROPERTIES FALLING UNDER ITS TERRITORIAL JURISDICTION; IMPORTANCE OF DELINEATING TERRITORIAL BOUNDARIES, EXPLAINED. — Under Presidential Decree No. 464 or the "Real Property Tax Code," the authority to collect real property taxes is vested in the locality **where the property is situated**: Sec. 5. *Appraisal of Real Property*. — All real property, whether taxable or exempt, shall be appraised at the current and fair market value prevailing in the locality **where the property is situated**. x x x Sec. 57. *Collection of tax to be the responsibility of treasurers*. — The collection of the real property tax and all penalties accruing thereto, and the

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enforcement of the remedies provided for in this Code or any applicable laws, shall be the responsibility of the treasurer of the province, city or municipality **where the property is situated.** This requisite was reiterated in Republic Act No. 7160, also known as the 1991 the Local Government Code, to wit: **Section 201**. ***Appraisal of Real Property.* –** All real property, whether taxable or exempt, shall be appraised at the current and fair market value prevailing in the locality **where the property is situated**. The Department of Finance shall promulgate the necessary rules and regulations for the classification, appraisal, and assessment of real property pursuant to the provisions of this Code. **Section 233. *Rates of Levy.*** – A province or city or a municipality within the Metropolitan Manila Area shall fix a uniform rate of basic real property tax applicable **to their respective localities as follows**: x x x. The only import of these provisions is that, while a local government unit is authorized under several laws to collect real estate tax on properties falling under its territorial jurisdiction, **it is imperative to first show that these properties are unquestionably within its geographical boundaries**. Accentuating on the importance of delineating territorial boundaries, this Court, in *Mariano, Jr. v. Commission on Elections* said: The importance of drawing with precise strokes the territorial boundaries of a local unit of government cannot be overemphasized. The boundaries **must be clear for they define the limits of the territorial jurisdiction of a local government unit. It can legitimately exercise powers of government only within the limits of its territorial jurisdiction. Beyond these limits, its acts are *ultra vires*.** Needless to state, any uncertainty in the boundaries of local government units will sow costly conflicts in the exercise of governmental powers which ultimately will prejudice the people's welfare. This is the evil sought to be avoided by the Local Government Code in requiring that the land area of a local government unit must be spelled out in metes and bounds, with technical descriptions.

2. CIVIL LAW; PROPERTY; OWNERSHIP; CERTIFICATE OF TITLE; WHILE THE CERTIFICATE OF TITLE IS CONCLUSIVE AS TO ITS OWNERSHIP AND LOCATION, THIS DOES NOT PRECLUDE THE FILING OF AN ACTION FOR THE PURPOSE OF ATTACKING THE STATEMENTS THEREIN; SUSTAINED. — While we fully agree that a

certificate of title is conclusive as to its ownership and location, this does not preclude the filing of an action for the very purpose of attacking the statements therein. In *De Pedro v. Romasan Development Corporation*, we proclaimed that: We agree with the petitioners that, generally, a certificate of title shall be conclusive as to all matters contained therein and conclusive evidence of the ownership of the land referred to therein. However, it bears stressing that while certificates of title are indefeasible, unassailable and binding against the whole world, including the government itself, they do not create or vest title. *They merely confirm or record title already existing and vested. They cannot be used to protect a usurper from the true owner, nor can they be used as a shield for the commission of fraud; neither do they permit one to enrich himself at the expense of other.* In *Pioneer Insurance and Surety Corporation v. Heirs of Vicente Coronado*, we set aside the lower courts' ruling that the property subject of the case was not situated in the location stated and described in the TCT, for lack of adequate basis. Our decision was in line with the doctrine that the TCT is conclusive evidence of ownership and location. However, we refused to simply uphold the veracity of the disputed TCT, and instead, we remanded the case back to the trial court for the determination of the exact location of the property seeing that it was the issue in the complaint filed before it. In *City Government of Tagaytay v. Guerrero*, this Court reprimanded the City of Tagaytay for levying taxes on a property that was outside its territorial jurisdiction, *viz*: In this case, it is basic that before the City of Tagaytay may levy a certain property for sale due to tax delinquency, the subject property should be under its territorial jurisdiction. The city officials are expected to know such basic principle of law. **The failure of the city officials of Tagaytay to verify if the property is within its jurisdiction before levying taxes on the same constitutes gross negligence**.

3. LEGAL ETHICS; POWERS AND DUTIES OF COURTS; THE TRIAL COURT MAY CONTROL ITS OWN PROCEEDINGS ACCORDING TO ITS SOUND DISCRETION; SUSTAINED. — [T]he term "prejudicial question," as appearing in the cases involving the parties herein, had been used loosely. Its usage had been more in reference to its ordinary meaning, than to its strict legal meaning under the Rules of Court. Nevertheless,

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even without the impact of the connotation derived from the term, our own Rules of Court state that a trial court may control its own proceedings according to its sound discretion: **POWERS AND DUTIES OF COURTS AND JUDICIAL OFFICERS Rule 135 SEC. 5.** ***Inherent powers of courts***. – Every court shall have power: x x x (g) To amend and control its process and orders so as to make them comformable to law and justice. Furthermore, we have acknowledged and affirmed this inherent power in our own decisions, to wit: The court in which an action is pending may, in the exercise of a sound discretion, upon proper application for a stay of that action, hold the action in abeyance to abide the outcome of another pending in another court, especially where the parties and the issues are the same, for there is power inherent in every court to control the disposition of causes (*sic*) on its dockets with economy of time and effort for itself, for counsel, and for litigants. Where the rights of parties to the second action cannot be properly determined until the questions raised in the first action are settled the second action should be stayed. The power to stay proceedings is incidental to the power inherent in every court to control the disposition of the cases on its dockets, considering its time and effort, that of counsel and the litigants. But if proceedings must be stayed, it must be done in order to avoid multiplicity of suits and prevent vexatious litigations, conflicting judgments, confusion between litigants and courts. It bears stressing that whether or not the RTC would suspend the proceedings in the SECOND CASE is submitted to its sound discretion.

APPEARANCES OF COUNSEL

Abelardo B. Albis, Jr. for petitioner.
Carlos C. Abesamis for respondent.
Crispino T. Pablo, Jr. for intervenor.

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D E C I S I O N

LEONARDO-DE CASTRO, *J.*:

For review is the June 30, 2004 Decision[1] and the January 27, 2005 Resolution[2] of the Court of Appeals in CA-G.R. CV No. 69603, which affirmed with modification the August 10, 1998 Decision[3] and October 9, 1998 Order[4] of the Regional Trial Court (RTC) of Pasig City, Branch 157, in Civil Case No. 65420.

Petitioner Sta. Lucia Realty & Development, Inc. (Sta. Lucia) is the registered owner of several parcels of land with Transfer Certificates of Title (TCT) Nos. 39112, 39110 and 38457, all of which indicated that the lots were located in *Barrio Tatlong Kawayan*, Municipality of Pasig[5] (**Pasig**).

The parcel of land covered by TCT No. 39112 was consolidated with that covered by TCT No. 518403, which was situated in *Barrio Tatlong Kawayan*, Municipality of Cainta, Province of Rizal (**Cainta**). The two combined lots were subsequently partitioned into three, for which TCT Nos. 532250, 598424, and 599131, now all bearing the Cainta address, were issued.

TCT No. 39110 was also divided into two lots, becoming TCT Nos. 92869 and 92870.

The lot covered by TCT No. 38457 was not segregated, but a commercial building owned by Sta. Lucia East Commercial Center, Inc., a separate corporation, was built on it.[6]

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[1] *Rollo*, pp. 39-55; penned by Associate Justice Ruben T. Reyes with Associate Justices Eliezer R. De los Santos and Arturo D. Brion (now Associate Justice of the Supreme Court), concurring.

[2] *Id.* at 57-58.

[3] *Id.* at 59-70.

[4] *Id.* at 71-72.

[5] Now City of Pasig.

[6] *Rollo*, pp. 12-13.

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Upon Pasig's petition to correct the location stated in TCT Nos. 532250, 598424, and 599131, the Land Registration Court, on June 9, 1995, ordered the amendment of the TCTs to read that the lots with respect to TCT No. 39112 were located in *Barrio Tatlong Kawayan*, Pasig City.[7]

On January 31, 1994, Cainta filed a petition[8] for the settlement of its land boundary dispute with Pasig before the RTC, Branch 74 of Antipolo City (Antipolo RTC). This case, docketed as Civil Case No. 94-3006, is still pending up to this date.

On November 28, 1995, Pasig filed a Complaint,[9] docketed as Civil Case No. 65420, against Sta. Lucia for the collection of real estate taxes, including penalties and interests, on the lots covered by TCT Nos. 532250, 598424, 599131, 92869, 92870 and 38457, including the improvements thereon (the subject properties).

Sta. Lucia, in its Answer, alleged that it had been religiously paying its real estate taxes to Cainta, just like what its predecessors-in-interest did, by virtue of the demands and assessments made and the Tax Declarations issued by Cainta on the claim that the subject properties were within its territorial jurisdiction. Sta. Lucia further argued that since 1913, the real estate taxes for the lots covered by the above TCTs had been paid to Cainta.[10]

Cainta was allowed to file its own Answer-in-Intervention when it moved to intervene on the ground that its interest would be greatly affected by the outcome of the case. It averred that it had been collecting the real property taxes on the subject properties even before Sta. Lucia acquired them. Cainta further asseverated that the establishment of the boundary monuments would show that the subject properties are within its metes and bounds.[11]

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[7] *Id.* at 233.

[8] CA *rollo*, pp. 155-158.

[9] *Rollo*, pp. 75-81.

[10] *Id.* at 13.

[11] *Id.* at 88.

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Sta. Lucia and Cainta thereafter moved for the suspension of the proceedings, and claimed that the pending petition in the Antipolo RTC, for the settlement of boundary dispute between Cainta and Pasig, presented a "prejudicial question" to the resolution of the case.[12]

The RTC denied this in an Order dated December 4, 1996 for lack of merit. Holding that the TCTs were conclusive evidence as to its ownership and location,[13] the RTC, on August 10, 1998, rendered a Decision in favor of Pasig:

> WHEREFORE, in view of the foregoing, judgment is hereby rendered in favor of [Pasig], ordering Sta. Lucia Realty and Development, Inc. to pay [Pasig]:
>
> 1) ₱273,349.14 representing unpaid real estate taxes and penalties as of 1996, plus interest of 2% per month until fully paid;
>
> 2) ₱50,000.00 as and by way of attorney's fees; and
>
> 3) The costs of suit.
>
> Judgment is likewise rendered against the intervenor Municipality of Cainta, Rizal, ordering it to refund to Sta. Lucia Realty and Development, Inc. the realty tax payments improperly collected and received by the former from the latter in the aggregate amount of ₱358,403.68.[14]

After Sta. Lucia and Cainta filed their Notices of Appeal, Pasig, on September 11, 1998, filed a Motion for Reconsideration of the RTC's August 10, 1998 Decision.

The RTC, on October 9, 1998, granted Pasig's motion in an Order[15] and modified its earlier decision to include the realty taxes due on the improvements on the subject lots:

> WHEREFORE, premises considered, the plaintiff's motion for reconsideration is hereby granted. Accordingly, the Decision, dated

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[12] *Id.* at 258.

[13] *Id.* at 69.

[14] *Id.* at 70.

[15] *Id.* at 71-72.

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August 10, 1998 is hereby modified in that the defendant is hereby ordered to pay plaintiff the amount of ₱5,627,757.07 representing the unpaid taxes and penalties on the improvements on the subject parcels of land whereon real estate taxes are adjudged as due for the year 1996.[16]

Accordingly, Sta. Lucia filed an Amended Notice of Appeal to include the RTC's October 9, 1998 Order in its protest.

On October 16, 1998, Pasig filed a Motion for Execution Pending Appeal, to which both Sta. Lucia and Cainta filed several oppositions, on the assertion that there were no good reasons to warrant the execution pending appeal.[17]

On April 15, 1999, the RTC ordered the issuance of a Writ of Execution against Sta. Lucia.

On May 21, 1999, Sta. Lucia filed a Petition for *Certiorari* under Rule 65 of the Rules of Court with the Court of Appeals to assail the RTC's order granting the execution. Docketed as **CA-G.R. SP No. 52874**, the petition was raffled to the First Division of the Court of Appeals, which on September 22, 2000, ruled in favor of Sta. Lucia, to wit:

WHEREFORE, in view of the foregoing, the instant petition is hereby **GIVEN DUE COURSE** and **GRANTED** by this Court. The assailed Order dated April 15, 1999 in Civil Case No. 65420 granting the motion for execution pending appeal and ordering the issuance of a writ of execution pending appeal is hereby **SET ASIDE** and declared **NULL** and **VOID.**[18]

The Court of Appeals added that the boundary dispute case presented a "prejudicial question which must be decided before x x x Pasig can collect the realty taxes due over the subject properties."[19]

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[16] *Id.* at 72.

[17] *Id.* at 237.

[18] *Id.* at 93.

[19] *Id.*

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Pasig sought to have this decision reversed in a Petition for *Certiorari* filed before this Court on November 29, 2000, but this was denied on June 25, 2001 for being filed out of time.[20]

Meanwhile, the appeal filed by Sta. Lucia and Cainta was raffled to the (former) Seventh Division of the Court of Appeals and docketed as **CA-G.R. CV No. 69603**. On June 30, 2004, the Court of Appeals rendered its Decision, wherein it agreed with the RTC's judgment:

> WHEREFORE, the appealed Decision is hereby **AFFIRMED** with the **MODIFICATION** that the award of ₱50,000.00 attorney's fees is **DELETED**.[21]

In affirming the RTC, the Court of Appeals declared that there was no proper legal basis to suspend the proceedings.[22] Elucidating on the legal meaning of a "prejudicial question," it held that "there can be no prejudicial question when the cases involved are both civil."[23] The Court of Appeals further held that the elements of *litis pendentia* and forum shopping, as alleged by Cainta to be present, were not met.

Sta. Lucia and Cainta filed separate Motions for Reconsideration, which the Court of Appeals denied in a Resolution dated January 27, 2005.

Undaunted, Sta. Lucia and Cainta filed separate Petitions for *Certiorari* with this Court. Cainta's petition, docketed as G.R. No. 166856 was denied on April 13, 2005 for Cainta's failure to show any reversible error. **Sta. Lucia's own petition is the one subject of this decision**.[24]

In praying for the reversal of the June 30, 2004 judgment of the Court of Appeals, Sta. Lucia assigned the following errors:

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[20] *Id.* at 95.

[21] *Id.* at 54.

[22] *Id.* at 46.

[23] *Id.* at 47.

[24] *Id.* at 102.

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ASSIGNMENT OF ERRORS

I

THE HONORABLE COURT OF APPEALS ERRED IN AFFIRMING [WITH MODIFICATION] THE DECISION OF THE REGIONAL TRIAL COURT IN PASIG CITY

II.

THE HONORABLE COURT OF APPEALS ERRED IN NOT SUSPENDING THE CASE IN VIEW OF THE PENDENCY OF THE BOUNDARY DISPUTE WHICH WILL FINALLY DETERMINE THE SITUS OF THE SUBJECT PROPERTIES

III.

THE HONORABLE COURT OF APPEALS ERRED IN NOT HOLDING THAT THE PAYMENT OF REALTY TAXES THROUGH THE MUNICIPALITY OF CAINTA WAS VALID PAYMENT OF REALTY TAXES

IV.

THE HONORABLE COURT OF APPEALS ERRED IN NOT HOLDING THAT IN THE MEANTIME THAT THE BOUNDARY DISPUTE CASE IN ANTIPOLO CITY REGIONAL TRIAL COURT IS BEING FINALLY RESOLVED, THE PETITIONER STA. LUCIA SHOULD BE PAYING THE REALTY TAXES ON THE SUBJECT PROPERTIES THROUGH THE INTERVENOR CAINTA TO PRESERVE THE STATUS QUO.[25]

Pasig, countering each error, claims that the lower courts correctly decided the case considering that the TCTs are clear on their faces that the subject properties are situated in its territorial jurisdiction. Pasig contends that the principles of *litis pendentia*, forum shopping, and *res judicata* are all inapplicable, due to the absence of their requisite elements. Pasig maintains that the boundary dispute case before the Antipolo RTC is independent of the complaint for collection of realty taxes which was filed before the Pasig RTC. It avers that the doctrine of "prejudicial question," which has a definite meaning in law, cannot be invoked where the two cases involved are both civil. Thus, Pasig argues, since there is no legal ground

[25] *Id.* at 17.

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to preclude the simultaneous hearing of both cases, the suspension of the proceedings in the Pasig RTC is baseless.

Cainta also filed its own comment reiterating its legal authority over the subject properties, which fall within its territorial jurisdiction. Cainta claims that while it has been collecting the realty taxes over the subject properties since way back 1913, Pasig only covered the same for real property tax purposes in 1990, 1992, and 1993. Cainta also insists that there is a discrepancy between the locational entries and the technical descriptions in the TCTs, which further supports the need to await the settlement of the boundary dispute case it initiated.

The errors presented before this Court can be narrowed down into two basic issues:

1) Whether the RTC and the CA were correct in deciding Pasig's Complaint without waiting for the resolution of the boundary dispute case between Pasig and Cainta; and

2) Whether Sta. Lucia should continue paying its real property taxes to Cainta, as it alleged to have always done, or to Pasig, as the location stated in Sta. Lucia's TCTs.

We agree with the First Division of the Court of Appeals in CA-G.R. SP No. 52874 that the resolution of the boundary dispute between Pasig and Cainta would determine which local government unit is entitled to collect realty taxes from Sta. Lucia.[26]

The Local Government Unit entitled To Collect Real Property Taxes

The Former Seventh Division of the Court of Appeals held that the resolution of the complaint lodged before the Pasig RTC did not necessitate the assessment of the parties' evidence on the metes and bounds of their respective territories. It cited our ruling in *Odsigue v. Court of Appeals*[27] wherein we said

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[26] *Id.* at 93.

[27] G.R. No. 111179, July 4, 1994, 233 SCRA 626.

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that a certificate of title is conclusive evidence of both its ownership and location.[28] The Court of Appeals even referred to specific provisions of the 1991 Local Government Code and Act. No. 496 to support its ruling that Pasig had the right to collect the realty taxes on the subject properties as the titles of the subject properties show on their faces that they are situated in Pasig.[29]

Under Presidential Decree No. 464 or the "Real Property Tax Code," the authority to collect real property taxes is vested in the locality **where the property is situated**:

> Sec. 5. *Appraisal of Real Property*. — All real property, whether taxable or exempt, shall be appraised at the current and fair market value prevailing in the locality **where the property is situated**.
>
> x x x x x x x x x
>
> Sec. 57. *Collection of tax to be the responsibility of treasurers.* — The collection of the real property tax and all penalties accruing thereto, and the enforcement of the remedies provided for in this Code or any applicable laws, shall be the responsibility of the treasurer of the province, city or municipality **where the property is situated.** (Emphases ours.)

This requisite was reiterated in Republic Act No. 7160, also known as the 1991 the Local Government Code, to wit:

> **Section 201**. ***Appraisal of Real Property.*** **–** All real property, whether taxable or exempt, shall be appraised at the current and fair market value prevailing in the locality **where the property is situated**. The Department of Finance shall promulgate the necessary rules and regulations for the classification, appraisal, and assessment of real property pursuant to the provisions of this Code.
>
> **Section 233.** ***Rates of Levy.*** – A province or city or a municipality within the Metropolitan Manila Area shall fix a uniform rate of basic real property tax applicable **to their respective localities as follows**: x x x. (Emphases ours.)

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[28] *Id.* at 631.

[29] *Rollo*, pp. 47-51.

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The only import of these provisions is that, while a local government unit is authorized under several laws to collect real estate tax on properties falling under its territorial jurisdiction, **it is imperative to first show that these properties are unquestionably within its geographical boundaries**.

Accentuating on the importance of delineating territorial boundaries, this Court, in *Mariano, Jr. v. Commission on Elections*[30] said:

> The importance of drawing with precise strokes the territorial boundaries of a local unit of government cannot be overemphasized. The boundaries **must be clear for they define the limits of the territorial jurisdiction of a local government unit. It can legitimately exercise powers of government only within the limits of its territorial jurisdiction. Beyond these limits, its acts are *ultra vires*.** Needless to state, any uncertainty in the boundaries of local government units will sow costly conflicts in the exercise of governmental powers which ultimately will prejudice the people's welfare. This is the evil sought to be avoided by the Local Government Code in requiring that the land area of a local government unit must be spelled out in metes and bounds, with technical descriptions.[31] (Emphasis ours.)

The significance of accurately defining a local government unit's boundaries was stressed in *City of Pasig v. Commission on Elections*,[32] which involved the consolidated petitions filed by the parties herein, Pasig and Cainta, against two decisions of the Commission on Elections (COMELEC) with respect to the plebiscites scheduled by Pasig for the ratification of its creation of two new *Barangay*s. Ruling on the contradictory reliefs sought by Pasig and Cainta, this Court affirmed the COMELEC decision to hold in abeyance the plebiscite to ratify the creation of *Barangay Karangalan*; but set aside the COMELEC's other decision, and nullified the plebiscite that ratified the creation of *Barangay Napico* in Pasig, until the boundary dispute before the Antipolo RTC had been resolved. The aforementioned case held as follows:

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[30] 312 Phil. 259 (1995).

[31] *Id.* at 265-266.

[32] 372 Phil. 864 (1999).

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1. The Petition of the City of Pasig in G.R. No. 125646 is DISMISSED for lack of merit; while

2. The Petition of the Municipality of Cainta in G.R. No. 128663 is GRANTED. The COMELEC Order in UND No. 97-002, dated March 21, 1997, is SET ASIDE and the plebiscite held on March 15, 1997 to ratify the creation of Barangay Napico in the City of Pasig is declared null and void. Plebiscite on the same is ordered held in abeyance until after the courts settle with finality the boundary dispute between the City of Pasig and the Municipality of Cainta, in Civil Case No. 94-3006.[33]

Clearly therefore, the local government unit entitled to collect real property taxes from Sta. Lucia must undoubtedly show that the subject properties are situated within its territorial jurisdiction; otherwise, it would be acting beyond the powers vested to it by law.

Certificates of Title as Conclusive Evidence of Location

While we fully agree that a certificate of title is conclusive as to its ownership and location, this does not preclude the filing of an action for the very purpose of attacking the statements therein. In *De Pedro v. Romasan Development Corporation*,[34] we proclaimed that:

> We agree with the petitioners that, generally, a certificate of title shall be conclusive as to all matters contained therein and conclusive evidence of the ownership of the land referred to therein. However, it bears stressing that while certificates of title are indefeasible, unassailable and binding against the whole world, including the government itself, they do not create or vest title. *They merely confirm or record title already existing and vested. They cannot be used to protect a usurper from the true owner, nor can they be used as a shield for the commission of fraud; neither do they permit one to enrich himself at the expense of other.*[35]

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[33] *Id.* at 872.

[34] 492 Phil. 643 (2005).

[35] *Id.* at 655.

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In *Pioneer Insurance and Surety Corporation v. Heirs of Vicente Coronado*,[36] we set aside the lower courts' ruling that the property subject of the case was not situated in the location stated and described in the TCT, for lack of adequate basis. Our decision was in line with the doctrine that the TCT is conclusive evidence of ownership and location. However, we refused to simply uphold the veracity of the disputed TCT, and instead, we remanded the case back to the trial court for the determination of the exact location of the property seeing that it was the issue in the complaint filed before it.[37]

In *City Government of Tagaytay v. Guerrero*,[38] this Court reprimanded the City of Tagaytay for levying taxes on a property that was outside its territorial jurisdiction, *viz*:

> In this case, it is basic that before the City of Tagaytay may levy a certain property for sale due to tax delinquency, the subject property should be under its territorial jurisdiction. The city officials are expected to know such basic principle of law. **The failure of the city officials of Tagaytay to verify if the property is within its jurisdiction before levying taxes on the same constitutes gross negligence**.[39] (Emphasis ours.)

Although it is true that "Pasig" is the locality stated in the TCTs of the subject properties, both Sta. Lucia and Cainta aver that the metes and bounds of the subject properties, as they are described in the TCTs, reveal that they are within Cainta's boundaries.[40] This only means that there may be a conflict between the location as stated and the location as technically described in the TCTs. Mere reliance therefore on the face of the TCTs will not suffice as they can only be conclusive evidence of the subject properties' locations if both the stated and described locations point to the same area.

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[36] G.R. No. 180357, August 4, 2009, 595 SCRA 263.

[37] *Id.* at 271-272.

[38] G.R. Nos. 140743 & 140745, September 17, 2009, 600 SCRA 33.

[39] *Id.* at 63.

[40] *Rollo*, pp. 32-33, 191-192.

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The Antipolo RTC, wherein the boundary dispute case between Pasig and Cainta is pending, would be able to best determine once and for all the precise metes and bounds of both Pasig's and Cainta's respective territorial jurisdictions. The resolution of this dispute would necessarily ascertain the extent and reach of each local government's authority, a prerequisite in the proper exercise of their powers, one of which is the power of taxation. This was the conclusion reached by this Court in *City of Pasig v. Commission on Elections*,[41] and by the First Division of the Court of Appeals in CA-G.R. SP No. 52874. We do not see any reason why we cannot adhere to the same logic and reasoning in this case.

The "Prejudicial Question" Debate

It would be unfair to hold Sta. Lucia liable again for real property taxes it already paid simply because Pasig cannot wait for its boundary dispute with Cainta to be decided. Pasig has consistently argued that the boundary dispute case is not a *prejudicial question* that would entail the suspension of its collection case against Sta. Lucia. This was also its argument in *City of Pasig v. Commission on Elections*,[42] when it sought to nullify the COMELEC's ruling to hold in abeyance (until the settlement of the boundary dispute case), the plebiscite that will ratify its creation of *Barangay Karangalan*. We agreed with the COMELEC therein that the boundary dispute case presented a *prejudicial question* and explained our statement in this wise:

> To begin with, we agree with the position of the COMELEC that Civil Case No. 94-3006 involving the boundary dispute between the Municipality of Cainta and the City of Pasig presents a **prejudicial question** which must first be decided before plebiscites for the creation of the proposed *barangays* may be held.
>
> The City of Pasig argues that there is no prejudicial question since the same contemplates a civil and criminal action and does not come into play where both cases are civil, as in the instant case. **While**

[41] *Supra* note 32.

[42] *Id.*

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this may be the general rule, this Court has held in *Vidad v. RTC of Negros Oriental, Br. 42,* that, in the interest of good order, we can very well suspend action on one case pending the final outcome of another case closely interrelated or linked to the first.

In the case at bar, while the City of Pasig vigorously claims that the areas covered by the proposed Barangays Karangalan and Napico are within its territory, it can not deny that portions of the same area are included in the boundary dispute case pending before the Regional Trial Court of Antipolo. Surely, whether the areas in controversy shall be decided as within the territorial jurisdiction of the Municipality of Cainta or the City of Pasig has material bearing to the creation of the proposed Barangays Karangalan and Napico. Indeed, a requisite for the creation of a *barangay* is for its territorial jurisdiction to be properly identified by metes and bounds or by more or less permanent natural boundaries. Precisely because territorial jurisdiction is an issue raised in the pending civil case, until and unless such issue is resolved with finality, to define the territorial jurisdiction of the proposed *barangays* would only be an exercise in futility. Not only that, we would be paving the way for potentially *ultra vires* acts of such *barangays*. x x x.[43] (Emphases ours.)

It is obvious from the foregoing, that the term "prejudicial question," as appearing in the cases involving the parties herein, had been used loosely. Its usage had been more in reference to its ordinary meaning, than to its strict legal meaning under the Rules of Court.[44] Nevertheless, even without the impact of the connotation derived from the term, our own Rules of Court state that a trial court may control its own proceedings according to its sound discretion:

POWERS AND DUTIES OF COURTS AND JUDICIAL OFFICERS
Rule 135

SEC. 5. ***Inherent powers of courts.*** – Every court shall have power:

x x x x x x x x x

(g) To amend and control its process and orders so as to make them comformable to law and justice.

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[43] *Id.* at 869-870.

[44] Revised Rules of Court , Rule 111, Section 5.

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Furthermore, we have acknowledged and affirmed this inherent power in our own decisions, to wit:

> The court in which an action is pending may, in the exercise of a sound discretion, upon proper application for a stay of that action, hold the action in abeyance to abide the outcome of another pending in another court, especially where the parties and the issues are the same, for there is power inherent in every court to control the disposition of causes (*sic*) on its dockets with economy of time and effort for itself, for counsel, and for litigants. Where the rights of parties to the second action cannot be properly determined until the questions raised in the first action are settled the second action should be stayed.
>
> The power to stay proceedings is incidental to the power inherent in every court to control the disposition of the cases on its dockets, considering its time and effort, that of counsel and the litigants. But if proceedings must be stayed, it must be done in order to avoid multiplicity of suits and prevent vexatious litigations, conflicting judgments, confusion between litigants and courts. It bears stressing that whether or not the RTC would suspend the proceedings in the SECOND CASE is submitted to its sound discretion.[45]

In light of the foregoing, we hold that the Pasig RTC should have held in abeyance the proceedings in Civil Case No. 65420, in view of the fact that the outcome of the boundary dispute case before the Antipolo RTC will undeniably affect both Pasig's and Cainta's rights. In fact, the only reason Pasig had to file a tax collection case against Sta. Lucia was not that Sta. Lucia refused to pay, but that Sta. Lucia had already paid, albeit to another local government unit. Evidently, had the territorial boundaries of the contending local government units herein been delineated with accuracy, then there would be no controversy at all.

In the meantime, to avoid further animosity, Sta. Lucia is directed to deposit the **succeeding** real property taxes due on

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[45] *Security Bank Corporation v. Judge Victorio*, 505 Phil. 682, 699-700 (2005).

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the subject properties, in an escrow account with the Land Bank of the Philippines.

WHEREFORE, the instant petition is *GRANTED*. The June 30, 2004 Decision and the January 27, 2005 Resolution of the Court of Appeals in CA-G.R. CV No. 69603 are *SET ASIDE*. The City of Pasig and the Municipality of Cainta are both directed to await the judgment in their boundary dispute case (Civil Case No. 94-3006), pending before Branch 74 of the Regional Trial Court in Antipolo City, to determine which local government unit is entitled to exercise its powers, including the collection of real property taxes, on the properties subject of the dispute. In the meantime, Sta. Lucia Realty and Development, Inc. is directed to deposit the succeeding real property taxes due on the lots and improvements covered by TCT Nos. 532250, 598424, 599131, 92869, 92870 and 38457 in an escrow account with the Land Bank of the Philippines.

SO ORDERED.

Velasco, Jr.[*] *(Acting Chairperson), Bersamin,*[**] *del Castillo,* and *Perez, JJ.,* concur.

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[*] Per Special Order No. 1003 dated June 8, 2011.

[**] Additional member per Special Order No. 1000 dated June 8, 2011.