



Republic of the Philippines
Supreme Court
Baguio City

THIRD DIVISION

**ALBERT CHUA, JIMMY CHUA
CHI LEONG and SPOUSES
EDUARDO SOLIS AND GLORIA
VICTA,**

G.R. No. 165863

Petitioners,

- versus -

B.E. SAN DIEGO. INC.,

Respondent.

X-----X

**LORENZANA FOOD
CORPORATION,**

G.R. No. 165875

Petitioner,

Present:

- versus -

VELASCO, JR., *J.*, *Chairperson*,
PERALTA,
ABAD,
MENDOZA, and
LEONEN, *JJ.*

B.E. SAN DIEGO, INC.,

Promulgated:

Respondent.

April 10, 2013

X-----X

DECISION

MENDOZA, J.:

These cases were already disposed of with finality by the Court on April 22, 1994, but were reconsidered, remanded to the Court of Appeals (CA) for reevaluation and elevated to this Court again for another review.

It appears from the records that on April 22, 1994, **G.R. No. 105027**, a case for annulment of title, entitled *Lorenzana Food Corporation, Jimmy*

Chua Chi Leong, Albert Chua, and Spouses Eduardo Solis and Gloria Victa v. Court of Appeals and B.E. San Diego, Inc., was dismissed by the Court.¹ On June 20, 1994, the Court stood by its April 22, 1994 Decision by denying the motion for reconsideration filed by Lorenzana Food Corporation (*LFC*) and Spouses Eduardo Solis and Gloria Victa (*Spouses Solis*). On November 16, 1994, the Court issued a resolution ordering the entry of judgment.

Insistent, LFC filed its Petition to Re-open Case while Jimmy Chua Chi Leong (*Jimmy*) and Albert Chua (*Albert*) filed their Second Motion for Reconsideration, both seeking to set aside the April 22, 1994 Decision and the June 20, 1994 and November 16, 1994 Resolutions of the Court.

On March 18, 1996, the Court issued its Resolution² favorably granting both pleadings stating that the “petitioners alleged new facts and submitted pertinent documents putting in doubt the correctness of our factual findings and legal conclusions,”³ and ordering the remand of the case to the CA for another round of evaluation.

B.E. San Diego, Inc. (*San Diego*) filed an Omnibus Motion 1) to Recall the Resolution of March 18, 1996; and 2) to Refer the Case to the Court En Banc; and 3) to Set Case for Oral Argument; but the Court denied it on March 3, 1997.

On July 14, 2004, after considering all the evidence presented by the parties, the CA rendered another decision,⁴ the dispositive portion of which reads:

WHEREFORE, after a detailed consideration of the totality of evidence presented by both parties, this Court hereby holds, as follows:

- a. The complaints of plaintiffs in Civil Cases Nos. 80-17 and BCV 81-18 are hereby DISMISSED.
- b) The Transfer Certificates of Title in the name of plaintiffs, that is, TCT Nos. 88467, 88468, 104248 and 104249, as well as the title of Spouses Solis, TCT No. 94389, are hereby CANCELLED on account of their spurious nature.
- c) The validity of the title of defendant B.E. San Diego is hereby UPHeld.

¹ 231 SCRA 713. (Penned by then Associate Justice Reynato S. Puno and concurred in by Chief Justice Andres R. Narvasa, Associate Justice Teodoro R. Padilla, and Associate Justice Florenz D. Regalado.

² *Rollo* (G.R. No. 165875), pp. 414-423.

³ *Id.* at 421.

⁴ *Rollo* (G.R. No. 165863), p. 10-25. (Penned by Associate Justice Eloy R. Bello, Jr. and concurred in by Associate Justice Regalado E. Maambong and Associate Justice Lucenito N. Tagle)

No pronouncement as to costs.

SO ORDERED.⁵

Again, not in conformity, the petitioners come to this Court with two separate petitions, challenging the July 14, 2004 Decision⁶ of the CA and the October 29, 2004 Resolution,⁷ denying their motion for reconsideration. The first petition, docketed as **G.R. No. 165863** was filed by Albert, Jimmy and Spouses Solis. The other one, docketed as **G.R. No. 165875**, was filed by LFC.

The Facts

Records show that three (3) civil cases for Quieting of Title involving tracts of land located in Bacoar, Cavite, were filed before the Regional Trial Court, Branch XIX, Bacoar, Cavite and docketed as

1. Civil Case BCV-80-17 entitled “*Lorenzana Food Corporation vs. B.E. San Diego, Inc., et al.*”
2. Civil Case BCV-81-18 entitled “*Jimmy Chua Chi Leong and Albert Chua vs. B.E. San Diego, Inc.*”
3. Civil Case BCV-83-79 entitled “*B.E. San Diego, Inc. vs. Eduardo Solis.*”

The factual and procedural antecedents of this long-drawn controversy were succinctly summarized by the Court in its April 22, 1994 Decision in G.R. No. 105027, entitled *Lorenzana Food Corporation v. Court of Appeals*, as follows:

The objects of the controversy are several portions of a large tract of land located in the municipality of Bacoar, Cavite. The large tract of land is claimed to be originally owned by one Juan Cuenca y Francisco, who had it surveyed way back in 1911. The land itself is traversed by railroad tracks dividing the land into two (2) parcels. On February 21, 1922, Juan Cuenca was issued Original Certificate of Title No. 1020 (Exhibit "H") covering the two parcels, designated as Lots 1 and 2. Original Certificate of Title No. 1020 was later reconstituted as O.C.T. No. (1020) RO-9, containing the technical descriptions of Lots 1 and 2.

⁵ Id. at 24-25.

⁶ Id. at 10-25.

⁷ Id. at 27-28.

On April 14, 1928, a separate original certificate of title for Lot 1, referring to the parcel north of the railroad tracks, was issued to Juan Cuenca as O.C.T. No. (1898) RO-58 (Exhibit "Z"). Lot 1 itself was divided into thirteen (13) parcels, eleven (11) of which were described therein as situated in the barrios of Talaba, Zapote, and Malicsi, while two (2) parcels were situated in the poblacion of Bacoor, Cavite.

Upon the demise of Juan Cuenca, an action for partition of his properties was filed by Jose Cuenca, one of the surviving heirs. On February 21, 1969, a project of partition was approved by the Land Registration Commission (Exhibit "EEE"), and on April 10, 1969, the court ordered the Register of Deeds of the Province of Cavite to issue individual titles for twelve (12) parcels of Lot 2 (Exhibit "GG). Three (3) parcels thereof: Lot 2-A, 2-K, and 2-L, were titled (T.C.T. Nos. 35963, 35973 and 35974, respectively) and registered in the name of Juan Cuenca (Exhibits "K", "TTT-1" and "TTT-2") on April 21, 1969. All three titles stated that the lands covered therein were originally registered as O.C.T. No. RO-9 on February 21, 1922 (Exhibits "K", "G" and "H").

Lot 2-A of Juan Cuenca was later subdivided into seven (7) lots in 1969. Of these seven subdivided parcels, one parcel (Lot 2-A-3) was adjudicated to his heir, Pura Cuenca, who was issued Transfer Certificate of Title No. 41505 on February 24, 1970 (Exhibit "L). The said T.C.T. No. 41505 stated that the land covered therein was originally registered as Original Certificate of Title No. 1898 on April 14, 1928, and Transfer Certificate of Title No. RO-58-I was cancelled by virtue thereof. One other parcel (Lot 2-A-4) was adjudicated to another heir, Ladislav Cuenca, who was issued Transfer Certificate of Title No. 41506 (Annex "M") on February 24, 1970. Likewise, T.C.T. No. 41506 stated that the land covered therein was originally registered as Original Certificate of Title No. 1898 on April 14, 1928, and that T.C.T. No. RO-58-I was cancelled by virtue thereof.

We interpose at this point the observation that although the transfer certificates of title issued to Pura and Ladislav Cuenca stated that the lands covered therein were originally registered as O.C.T. No. 1898, hence, referring to Lot 1 located at the northern portion of Juan Cuenca's large tract of land, the technical description appearing in said transfer certificates of title were taken or lifted from O.C.T. No. (1020) RO-9 covering Lot 2, referring to the southern portion of the original tract of land.

In the meantime, Lots 2-K and 2-L (T.C.T. Nos. 35973 and 35974) in the name of Juan Cuenca, were consolidated and, in turn, were subdivided into eight (8) lots. Lot 4 was adjudicated to Pura Cuenca, who was issued T.C.T. No. 41498 (Exhibit "TTT-5") on February 24, 1970. Lot 3 was adjudicated to Ladislav Cuenca, who was issued T.C.T. No. 41497 (Exhibit "TTT-4") on the same date. Lot 6 was adjudicated to Jose Cuenca, who was issued T.C.T. No. 41501 with the inscription therein that the land covered by said titles were originally registered as O.C.T. No. 1898 on April 14, 1928, and that T.C.T. No. RO-58-I was cancelled thereby, referring to Lot 1 of the original tract. However, the technical descriptions

inscribed therein were lifted from O.C.T. No. (1020) RO-9 covering Lot 2 of the original tract of land.

Upon the deaths of Pura and Ladislaw Cuenca, the administrators of their respective testate estates were given authority by the court to dispose of some parcels of land. Lot 2-A-3 of Pura Cuenca covered by T.C.T. No. 41505, and Lot 2-A-4 of Ladislaw[a] Cuenca covered by T.C.T. No. 41506, were eventually sold to herein appellee Lorenzana Food Corporation on February 4, 1977 (Annexes, "OOO", "CCC" and "UU-1"). Transfer Certificate of Title No. 41505 was cancelled by T.C.T. No. 88468 issued to, and registered in favor of, Lorenzana Food Corporation (Annex "D"). Transfer Certificate of Title No. 41506 was cancelled by T.C.T. No. 88467 (Exhibit "2") on February 18, 1977. Both T.C.T. Nos. 88467 and 88468 also stated that the lands covered therein were originally registered as O.C.T. No. 1898, but contained portions of the technical description appearing in O.C.T. No. (1020) RO-9.

On the other hand, Lot 3 of the consolidated Lots 2-K and 2-L, as part of the testate estate of Ladislaw Cuenca, was sold to herein appellee Jimmy Chua Chi Leong. Transfer Certificate of Title No. 104248 (Exhibit "A") was issued to and registered in his name on May 9, 1979, cancelling T.C.T. No. 41497. Lot 4, being part of the testate estate of Pura Cuenca, was sold to Albert Chua, who was issued T.C.T. No. T-104249 on May 9, 1979 (Exhibit "B"), cancelling T.C.T. No. 41498. Lot 6 was sold by Jose Cuenca to Eduardo Solis, who was issued T.C.T. No. T-94389, cancelling T.C.T. No. T-41501. Common to the titles of Jimmy Chua Ching Leong, Albert Chua and Eduardo Solis is the inscription that the lands covered therein were originally registered as O.C.T. No. 1898 on April 14, 1928.

Another common feature of all these succeeding titles is the description that the property therein described is situated in the barrio of Talaba, Bacoor, Cavite. Looking back, the records show that the original tract of land owned by Juan Cuenca was bounded on the north by Calle Real de Talaba, on the south and southeast by Sapa Niog, and on the west, by Calle Niog. As mentioned earlier, the land was divided into two (2) by the railroad tracks running from and going to east and west. The area located north of the railroad tracks, bordering Calle Real de Talaba was later titled as O.C.T. (1898) 50-58, said parcel straddling the barrios of Talaba, Zapote and Milicsi, as well as the poblacion proper.

On the other hand, the portion located south of the railroad tracks was designated as Lot 2. Traversing this land is what used to be a national road, now called the Aguinaldo Highway, linking Tagaytay City to Metro Manila. This parcel was later titled as O.C.T. No. (1020) RO-9. The sub-divided parcels aforementioned, by their technical descriptions are located at the south to southeast portions of Lot 2, bounded on the south, by Sapa Niog and Calle Niog on the west. Nevertheless, the said parcels were described as situated in the barrio of Talaba.

The controversy arose when herein appellees learned that the same parcels were being claimed by herein appellant, B.E. San Diego, Incorporated. B.E. San Diego's claim was based on two (2) titles registered in its name. The first parcel was covered under

T.C.T. No. T-17621 (Annex "C") issued on March 2, 1966, which originated from O.C.T. No. 0-490 registered on December 22, 1965. The said title described "a parcel of land Plan Psu-211245, pursuant to L.R.C. Case No. N-467, (LRC) Record No. N-27923, situated in the Barrio of Niog, Municipality of Bacoar." The second parcel was titled under O.C.T. No. 0-644, registered on January 5, 1967, pursuant to LRC Case No. N-557, (LRC) Record No. N-30647, describing "a parcel of land (Lot 1, Plan Psu-223920), situated in Barrio of Niog" (Exhibit "9").

All parties resolutely seeking to enforce their respective claims over the subject properties, three (3) civil suits for quieting of title were filed before the Regional Trial Court of Bacoar, Cavite, Branch XIX. The first case, docketed as BCV-80-17 was filed by Lorenzana Food Corporation versus B.E. San Diego, Incorporated, and other defendants. The second civil case, BCV-81-18, was filed by Jimmy Chua Chi Leong and Albert Chua, also against B.E. San Diego, Inc., et al., as defendants. The last case, BCV-83-79 was filed by B.E. San Diego, Inc., against spouses Eduardo and Gloria Solis, as defendants.

In Civil Case No. BCV-80-17, Lorenzana Food Corporation claimed exclusive ownership over the two (2) parcels covered by T.C.T. Nos. 88467 and 88468, issued to it on February 18, 1977. Lorenzana Food Corporation alleged that it took immediate possession of the said property and even contracted to prepare the land for development. It is alleged that it was only years later that Lorenzana Food Corporation learned that B.E. San Diego, Inc. was claiming ownership over portions of the said parcels by virtue of O.C.T. No. 0-644. It is Lorenzana Food Corporation's contention that the O.C.T. No. 0-644, in B.E. San Diego's name is null and void because Lorenzana Food Corporation's title emanated from an O.C.T. issued more than thirty-nine (39) years prior to the issuance of B.E. San Diego's original certificate of title.

In answer, B.E. San Diego countered that it and its predecessors-in-interest have been in the open continuous and adverse possession in concept of owner of the subject property for more than fifty (50) years prior to Lorenzana Food Corporation's purchase of the two (2) parcels. It also argued that Original Certificate of Title No. 0-644 was not null and void since it was issued upon application and proper proceedings in (LRC) Case No. N-557 and N-30647, before the then Court of First Instance of Cavite. Pursuant to its issuance, the said property was declared by B.E. San Diego for tax purposes (Exhibits "Q" and "5-F") since June 22, 1966.

B.E. San Diego claims it bought the subject property from Teodora Dominguez on February 6, 1966 (Exhibit "5-D") and the absolute deed of sale was submitted in (LRC) Case No. N-577. It was further argued that Lorenzana Food Corporation was erroneously claiming the subject property because Lorenzana's titled property is described to be located in Barrio Talaba, while B.E. San Diego's property is situated in Barrio Niog. Denying that Lorenzana Food Corporation's predecessor-in-interest had been in possession of the subject property, B.E. San Diego claimed that in 1979, by force, intimidation, threat, stealth, and strategy, Lorenzana

Food Corporation entered and occupied the subject property, despite barbed wire fencing with warning signs, and security guards posted by B.E. San Diego.

In Civil Case No. BCV-81-18, plaintiffs Jimmy Chua Chi Leong and Albert Chua claim ownership over the parcels they respectively purchased from the heirs of Juan Cuenca, as evidenced by Transfer Certificates of Titles Nos. T-104248 and T-104249, issued on January 20 and 30, 1979, respectively. B.E. San Diego, for its part, claimed the property by virtue of Transfer Certificate of Title No. T-17621 issued on March 2, 1966, which cancelled Original Certificate of Title No. 0-490 originally issued to Teodora Dominguez, who sold the same property to B.E. San Diego. Again, B.E. San Diego argued that, as appearing in their respective titles, Jimmy Chua Chi Leong's and Albert Chua's properties were located in Barrio Talaba while that of B.E. San Diego was located in Barrio Niog.

The last case, BCV-83-79 was initiated by B.E. San Diego against the Solis spouses who, according to the former, unlawfully entered a portion of its property titled under Transfer Certificate of Title No. T-17621. The Solis spouses, meanwhile, claim the said portion by virtue of their Transfer Certificate of Title No. T-94389, issued pursuant to their purchase of said portion from Jose Cuenca.⁸

The Ruling of the RTC

On July 15, 1986, after a long trial, the RTC handed down its Joint Decision⁹ in favor of LFC, Jimmy, Albert, and Spouses Solis, and declared the titles of San Diego null and void. The pertinent portions of the RTC decision reads:

Proceeding in the light of the foregoing evidence, the Court finds that the three lots of San Diego which are presently covered by O.C.T. No. 0-644 and TCT No. T-17621, are *within* Lot 2, Psu-2075 and *overlapped* the lots in question of Lorenzana, Chua and Solis. The fact that it appears in the titles of San Diego that its lots are situated in Niog, and not in Talaba, cannot prevail over the findings in the verification surveys conducted by the Bureau of Lands. Aside from this, these two barrios are adjoining and that the land described in plan Psu-2075 of Cuenca is bounded by Calle Real de Talaba and Calle Niog and Sapa Niog.

Since the titles of Lorenzana, Chua and Solis emanated from the title of Juan Cuenca y Francisco issued on February 21, 1922, these titles should prevail over O.C.T. No. 0-644 issued on January 5, 1967 and O.C.T. No. 0-490 allegedly issued on December 22, 1965, not to mention the fact that the authenticity of O.C.T. No. 0-490 of Teodora Dominguez predecessor-in-interest of San Diego, is questionable, for the original thereof appears to be registered under the name of Antonio Sentero. The

⁸ 231 SCRA 713, 715-719. Quoting from the December 24, 1991 CA Decision in CA-G.R. CV No. 13540.

⁹ *Rollo* (G.R. No. 165875), pp. 164-193.

rule is well-settled that a decree ordering the registration of a particular parcel of land is a bar to a future application for registration covering or affecting said lot (*Legarda vs. Saleeby*, 31 Phil 590). Thus, where two certificates of title are issued to different persons covering the same land in whole or in part, the *earlier in date must prevail* as between original parties and in case of successive registration where more than one certificate is issued over the land, the person holding under the prior certificate is entitled to the land against the person who rely on the second certificate (*De Villa vs. Trinidad*, L-24918, March 20, 1968, 22 SCRA 1167, *Gatooon vs. Gaffud*, L-21953, March 28, 1969, 27 SCRA 769).¹⁰

X X X X

Thereafter, San Diego filed an appeal with the CA, which was docketed as CA-G.R. CV No. 13540, based on the following assignments of error:

- I The trial court erred in finding that the three lots of the appellant are within and overlapped the lots in question of the appellees.
- II The trial court erred in declaring “null and void” and ordering the cancellation of appellant’s titles and ordering to pay appellees sums of money, attorney’s fees and costs.
- III The trial court erred in not ordering judgment for the appellant.¹¹

First Ruling of the CA

On December 24, 1991, the CA rendered its Decision¹² in CA-G.R. CV No. 13540, *reversing* the RTC Decision. The CA ruled that the titles held by LFC, Jimmy, Albert, and Spouses Solis were defective while those of San Diego showed no defects. Hence, it ordered the nullification and cancellation of the TCTs in the names of LFC (TCT Nos. T-88467¹³ and T-88468¹⁴), Jimmy and Albert (TCT Nos. T-104248¹⁵ and T-104249¹⁶) and Spouses Solis (TCT No. T-94389); and dismissed Civil Case No. BCV-80-17 and Civil Case No. BCV-81-18 ordering Spouses Solis to vacate the subject premises. The relevant portions of the CA decision read:

¹⁰ Id. at 189-191.

¹¹ Id. at 92-93.

¹² Id. at 194-208; penned by Associate Justice Venancio D. Aldecoa and concurred in by Associate Justice Jose C. Campos and Associate Justice Filemon H. Mendoza.

¹³ *Rollo* (G.R. No. 165863), pp. 205-206.

¹⁴ Id. at 199-200.

¹⁵ Id. at 185-186.

¹⁶ Id. at 191-192.

First – In this case, where there is a so-called “overlapping” or “overlying” of titles, the best evidence are the certificates of title themselves. While the titles of all the contending parties, at first blush, seem to have been regularly issued, a closer examination bares the peculiar common defects in the titles of the appellees. These defects are:

a. The appellees’ titles are annotated with the inscription that the land described therein was originally registered under OCT No. 1898, but the technical descriptions found therein were lifted from OCT No. (1020) RO-9.

b. The appellees’ titles state that the properties are located in the barrio of Talaba when the properties described therein are situated in the Barrio of Niog.

On the other hand, the appellant’s titles show no defect. x x x

x x x x

x x x x

x x x x

Thus, even though the appellees can trace their titles as having been originally registered on February 21, 1922, the succeeding titles, issued on February 24, 1970, were all defective. Why no effort was exerted to correct the alleged “clerical errors” on the part of the appellees’ predecessors-in-interest, has not been explained. x x x

Second – Not only were the appellants’ titles not blemished by any defect and were regularly issued, its valid title was coupled with open, adverse and continuous possession of the subject property. x x x

Besides, the land possessed by the appellant is, as described in its titles, in the barrio of Niog. On the other hand, the appellees’ titles describe their properties as located in the barrio of Talaba, but the land they claim is located in Barrio Niog. The appellant is where it should be, as decreed in its titles. The appellees are claiming properties that are not in the location stated in their respective titles.

x x x x

x x x x

x x x x

Third – the lower court largely relied on the testimony and recommendation of the Bureau of Lands surveyor who was ordered to conduct a verification survey. The surveyor’s report declared that the appellant’s property overlapped those of the appellees. Upon questioning, however, the same surveyor admitted that his verification survey was just based on the technical descriptions appearing in the opposing parties’ titles. x x x

The Bureau of Lands’ verification and recommendation, therefore, does not prove that only the appellees have the right to claim the property, to the exclusion of others. The survey did not

even pretend to resolve the issue of whether or not the titles issued to the appellees were perfect or defective. x x x¹⁷

Not in conformity, LFC, Jimmy, Albert and Spouses Solis moved for reconsideration but their motions were denied by the CA.

First Petition to the Court

On June 5, 1992, LFC, Jimmy, Albert and Spouses Solis filed a petition for review on *certiorari* before this Court, docketed as G.R. No. 105027, raising the following issues:

- I The Honorable Court of Appeals committed reversible error of law and grave abuse of discretion in reversing the decision of the lower court to uphold the validity of the land titles of private respondent in spite of the fact that these were issued some forty-six (46) years later than the titles of petitioners and their predecessors-in-interest.
- II The Honorable Court of Appeals committed reversible error of law and grave abuse of discretion in giving more significance to the annotation than the technical description in identifying the lots in dispute.
- III The Honorable Court of Appeals committed reversible erroneous conclusion of facts, amounting to reversible error of law and grave abuse of discretion in holding in its resolution denying petitioners' motion for reconsideration that petitioners failed to make proper correction of their titles.
- IV The Honorable Court of Appeals committed grave abuse of discretion when it failed to pass judgment on the liabilities of the estates of Pura Cuenca and Ladislao Cuenca, predecessors-in-interest (sellers) of the petitioners.

On April 22, 1994, the Court *dismissed* the petition and subsequently issued Resolutions, dated June 20, 1994 and November 16, 1994, denying with finality the petitioners' motions for reconsideration.

¹⁷ *Rollo* (G.R. No. 165875), pp. 203-206.

On March 18, 1996, however, the Court issued a Resolution¹⁸ granting 1) LFC's Petition to Re-open Case; and 2) Jimmy and Albert's Second Motion for Reconsideration and setting aside the Decision, dated April 22, 1994, and the Resolutions dated June 20, 1994 and November 16, 1994. The Court, thus, declared:

Petitioners now assail the correctness of the factual bases of our Decision, i.e., that their titles facially contain irregularities while the titles of private respondent are unblemished. They also deny that Barrios Talaba and Niog are one and a half kilometers away from each other.

To prove their claim, petitioners have attached the following documents:

- (1) certified true copies of the titles of Juan Cuenca, petitioners and private respondents;
- (2) a historical study of how San Diego acquired its titles (OCT No. 0-490 and OCT No. 0-644) and a certification dated August 29, 1994 from the Register of Deeds that the original of OCT No. 0-490 in the name of Teodora Dominguez, San Diego's predecessor, did not exist in the Registry file and did not form part of their records;
- (3) a statement that OCT No. 0-491 (not OCT No. 490) in the name of Teodora Dominguez now exists in the records of the Register of Deeds of Cavite with a true copy of said OCT No. 0-491 certified on February 24, 1995;
- (4) a certification and sketch from the Land Registration Authority that the lot described in the alleged OCT No. 0-490 of Teodora Dominguez sits upon and encroaches on the National Highway (Aguinaldo Highway);
- (5) survey, sketch plans and certifications from the Land Registration Authority indicating that the land in OCT No. 0-644 of San Diego overlaps with the land covered by OCT No. 1020 (RO-9) of Juan Cuenca;
- (6) flow charts tracing the subdivision and partition of Cuenca's land into the present parcels of land purchased by petitioners from the heirs of Cuenca himself; the partitions were made with approval of the court;
- (7) a historical outline and graphic study of the transactions over Cuenca's land which shows how petitioners came to purchase their lots;

¹⁸ *Rollo* (G.R. No. 165875), pp. 414-423.

- (8) a factual representation that OCT No. 1020 (RO-9), Cuenca's title, and OCT No. 1898 (RO-58) inscribed in petitioners' titles cover different parcels of land; and that OCT No. 1898 is not the same as OCT Nos. 0-644 and 0-490 of San Diego;
- (9) a certification by the Municipal Planning and Development Coordinator of Bacoor, Cavite that Barrio Niog and Barrio Talaba are actually adjacent to each other;
- (10) order dated January 26, 1981 of the Court of First Instance, Branch 5, Bacoor, Cavite, decreeing the correction of the Chuas' transfer certificates of title. The court declared that the certification in the face of the Chuas' titles was an error and, therefore, ordered its amendment to reflect the true fact that the titles were derived from OCT No. 1020 (RO-9) of Cuenca "originally registered on the 21st day of February, in the year nineteen hundred and twenty two x x x" not OCT 1898 as originally inscribed therein. Per annotation in the second page of the Chuas' titles, the order of the Court was recorded and the correction duly made on January 29, 1981 prior to the institution by the Chuas of Civil Case No. BCV-81-18 against San Diego.

The general rule is that no party is allowed a second motion for reconsideration of a final order or judgment. After the promulgation of our Decision, however, petitioners alleged new facts and submitted pertinent documents putting in doubt the correctness of our factual findings and legal conclusions. We cannot be insensitive to these allegations for this Court is committed to render justice on the basis of the truth.

Pursuant to this postulate, this Court has held time and again that rules of procedure are but mere tools designed to facilitate the attainment of justice. They are not the end in themselves. Under extreme circumstances, we have suspended the rules and excepted a particular case from their operation to respond to the higher interests of justice. In the cases at bar, the location of the contested lots, the number of people affected and the impact of the litigation on the peace of the community justify its reopening to give all the parties full opportunity to prove their claims.¹⁹

On March 3, 1997, the Court issued another resolution denying San Diego's Omnibus Motion 1) to Recall the Resolution of March 18, 1996; 2) to Refer the Case to the Court En Banc; and 3) to Set Case for Oral Argument.

¹⁹ Id. at 419-422.

Back to the Court of Appeals

In accordance with this Court's Resolutions, dated March 18, 1996 and March 3, 1997, the CA was tasked to receive evidence and resolve the following issues:

I Whether or not there is overlapping of titles of the petitioners with those of the private respondent; and

II Whether or not the apparent defective transfer certificates of title of the petitioners, allegedly coming from Original Certificate of Title No. 1020, can withstand the rigors of legal scrutiny.

Second Ruling of the CA

On July 14, 2004, after considering all the evidence presented by the parties, the CA rendered another decision again in favor of San Diego, the dispositive portion of which reads:

WHEREFORE, after a detailed consideration of the totality of evidence presented by both parties, this Court hereby holds, as follows:

- a. The complaints of plaintiffs in Civil Cases Nos. 80-17 and BCV 81-18 are hereby **DISMISSED**.
- d) The Transfer Certificates of Title in the name of plaintiffs, that is, TCT Nos. 88467, 88468, 104248 and 104249, as well as the title of Spouses Solis, TCT No. 94389, are hereby **CANCELLED** on account of their spurious nature.
- e) The validity of the title of defendant B.E. San Diego is hereby **UPHELD**.

No pronouncement as to costs.

SO ORDERED.²⁰

The CA composed of a new set of Justices,²¹ again found that *first*, there was no overlapping of titles between those of the petitioners' and those of the respondent because the subject properties described in the separate titles were located in separate and different barrios. The certificates of title of the petitioners indicated that the properties covered therein were located

²⁰ *Rollo* (G.R. No. 165863), pp. 24-25.

²¹ *Id.* at 10-25. (Penned by Associate Justice Eloy R. Bello, Jr. and concurred in by Associate Justice Regalado E. Maambong and Associate Justice Lucenito N. Tagle)

in Barrio Talaba, Bacoar, Cavite, while those of the respondent showed that its properties were located in Barrio Niog. Barrio Talaba and Barrio Niog were two separate and distinct localities whose boundaries were clearly defined and delineated.

Moreover, copies of the application for registration and confirmation of title filed by Juan Cuenca (*Juan*) before the then Court of First Instance (*CFI*) of the Province of Cavite specifically indicated that the properties applied for were located in Barrios Talaba, Zapote, Malicsi, and Poblacion in Bacoar, Cavite. The notices of hearing for his application likewise identified the subject lots as located in the aforementioned barrios, without any mention of a property in Barrio Niog.

Second, the CA stated that, except for TCT Nos. 104248 and 104249, the titles relied upon by the petitioners all indicated that they came from OCT No. 1898.²² It appeared, however, that the technical descriptions of the properties therein referred to the parcels of land previously covered by OCT No. (1020) RO-9. On the other hand, the survey plans presented by San Diego consistently showed that its property was located in Barrio Niog and these survey plans appeared to be regular and in order.

Third, the CA noted that TCT Nos. 104248 and 104249 of Jimmy and Albert, respectively, contained alterations, in violation of Section 108 of Presidential Decree (*P.D.*) No. 1529, considering that the number 1898 in the OCT was altered to reflect R0-9. Additionally, Jimmy and Albert failed to notify San Diego, as a party-in-interest, when they filed a petition for correction of entries in their respective titles before the then CFI of Cavite, despite their knowledge of its claim over the subject property.

Fourth, the CA ruled that the documents presented by the petitioners were not exactly “newly discovered evidence” because all of them could have been previously obtained and presented at the hearing before the lower court. The petitioners failed to exert their best efforts to obtain these already available documents to buttress their claim.

Back to the Court

Obviously not satisfied with the July 14, 2004 CA Decision, the petitioners again filed separate petitions before this Court. The first petition, entitled *Albert Chua, Jimmy Chua Chi Leong and Spouses Eduardo Solis and Gloria Victa v. B.E. San Diego, Inc.*, was docketed as G.R. No. 165863. The second, entitled *Lorenzana Food Corporation v. B.E. San Diego, Inc.*, was docketed as G.R. No. 165875.

²² *Rollo* (G.R. No. 165863), pp. 209-216.

On March 9, 2005, upon motion of the parties, the Court issued a Resolution²³ directing the consolidation of G.R. No. 165875 with G.R. No. 165863.

On June 6, 2007, the Court issued the Resolution²⁴ denying due course to the petitions.

On March 5, 2008, acting on the separate motions for reconsideration of the petitioners and other supplemental pleadings, the Court resolved to grant the motions, reinstate the petitions and require the parties to submit their respective memoranda.²⁵

In effect, this disposition is a review of the Court's April 22, 1994 Decision in G.R. No. 105027.²⁶

In their respective petitions, LFC, Jimmy, Albert, and Spouses Solis anchored their prayer for the reversal of the CA decision on the following:

For Albert Chua, Jimmy Chua and Spouses Solis (G.R. No. 165863):

ASSIGNMENT OF ERRORS

I

The Honorable Court of Appeals committed reversible error of law, erroneous conclusion of facts and grave abuse of discretion when it upheld the validity of the titles of San Diego considering that the said titles cover tracts of land that ha[ve] been previously registered and titled under the name Juan Cuenca y Francisco.

II

The Honorable Court of Appeals committed reversible error of law and grave abuse of discretion in ruling that the two titles of San Diego are unblemished by any defect.

III

The Honorable Court of Appeals committed reversible erroneous conclusion of facts amounting to grave abuse of discretion in holding [that] OCT 1898 RO-58 is a separate

²³ *Rollo* (G.R. No. 165875), p. 243.

²⁴ *Rollo* (G.R. No. 165863), p. 317.

²⁵ *Id.* at 428.

²⁶ *Lorenzana Food Corp. v. CA*, 231 SCRA 713.

title for Lot-1 of OCT 1020 RO-9 that was issued on April 14, 1928.

IV

The Honorable Court of Appeals committed reversible erroneous conclusion of facts, amounting to reversible error of law and grave abuse of discretion, in holding that the titles of the petitioners originated from O.C.T. 1898 RO-58.

V

The Honorable Court of Appeals committed reversible error of law and grave abuse of discretion in holding that the titles of the petitioners are defective because the technical description of the land stated therein came from OCT 1020 RO-9 and not from OCT 1898 RO-58.

VI

The Honorable Court of Appeals committed reversible error of law and grave abuse of discretion in holding that the correction made on the titles of Jimmy Chua and Albert Chua are null and void.

For LFC (G.R. No. 165875):

GROUND

A

The Court of Appeals grievously committed a reversible error in ruling that petitioner failed to establish a better right to the subject properties even after petitioner was able to trace its title from one issued prior to the title relied upon by respondent.

- 1. Petitioner established the identity of the Subject Properties and that they are overlapped by the property described in respondent's OCT No. O-644.**
- 2. Petitioner clearly established its ownership of the Subject Properties.**

B

The Court of Appeals grievously committed a reversible error in ruling that respondent's title rests on solid support

despite the latter's failure to establish how it acquired ownership over the property covered by OCT No. O-644.

C

The Court of Appeals grievously committed a reversible error when it relied upon a superficial comparison of the respective certificates of title of the parties in concluding that respondent had superior title to the subject properties.

- 1. The presence or absence of errors on the face of the certificates of title is irrelevant in an action for quieting of title.**
- 2. In ruling that there was no overlapping of titles in this case, the Court of Appeals disregarded the principle that it is the description of the boundaries of a property that is essential for its identification.**
- 3. The errors in petitioner's certificates of title that were highlighted in the Assailed Decision were adequately explained.**

D

Petitioner is an innocent purchaser for value entitled to protection under the law.

Petitioners' consolidated arguments

The petitioners argue that their land titles should prevail over those of the respondent because the lands covered by their titles were previously registered under the name of their predecessor-in-interest, Juan, as early as February 1922. Specifically, OCT No. (1020)-RO-9, from which they derived their titles, was originally registered on February 21, 1922 in the name of Juan while those of the respondent were registered only in 1965 and 1967, respectively.

The subject properties are Lots 2-A-3 (TCT No. T-88468) and 2-A-4 (TCT No. T-88467) of plan Psd-110980. The technical descriptions found in TCT Nos. T-88468 and T-88467, which were transferred from TCT Nos. 41505²⁷ and 41506,²⁸ identify the lots they cover as Lots 2-A-3 and 2-A-4, respectively, of plan Psd-110980 and define the metes and bounds thereof.

²⁷ *Rollo* (G.R. No. 165863), p. 195.

²⁸ *Id.* at 201.

The petitioners insist that the titles of the respondent overlap their titles. The evidence admitted in the RTC showed the respondent's properties, covered by OCT No. O-644 issued in 1967; and TCT No. 17621²⁹ from OCT No. O-490³⁰ issued in 1965 to Teodora Dominguez, overlapping the National Highway and Sapang Niog and the properties covered by the titles of the petitioners which were traced to have originated from Lot-2 of OCT No. 1020 RO-9 issued to Juan in 1922. The overlapping was admitted by the respondent's own counsel. The Bureau of Lands, through Engr. Felipe Venezuela (*Engr. Venezuela*), the Chief of Technical Services Section, identified the subject properties with the use of the technical descriptions in TCT Nos. T-88467 and T-88468 in a verification survey conducted in compliance with the RTC order. The Report of the Bureau of Lands on the verification survey, dated July 1, 1980, disclosed that there was an overlapping between the subject properties and the property described in the respondent's OCT No. O-644. The same report showed that of the 9,287 square meters of land comprising Lot 2-A-3 of Psd-110980 (TCT No. T-88468), 5,628 square meters were overlapped by the respondent's OCT No. O-644; while 7,489 square meters of the 9,288 square meter area of Lot 2-A-4 (TCT No. T-88467) were overlapped by OCT No. O-644. This overlapping was confirmed by the Land Registration Authority (*LRA*) through its Certification,³¹ dated February 14, 1995.

The petitioners further argue that what defines the land is the technical description as plotted on the ground and that the location should be based on the technical description and not on the basis of the barrio indicated therein.

They claim that the errors in their certificates of title were adequately explained in the sense that the property of Juan covered by OCT No. 1020 was principally located in Barrio Talaba, which was adjacent to Barrio Niog, as shown by the Certification, dated May 22, 1995, issued by the Municipal Planning and Development Coordinator of Bacoor, Cavite. The subject properties once formed part of a large tract of land covered by OCT No. 1020, and when Juan's land was partitioned or subdivided through the years, the resulting lots were mistakenly described as being located in Barrio Talaba, although they were actually situated in the adjacent Barrio Niog.

At any rate, petitioner LFC argues that it is an innocent purchaser for value entitled to protection under the law considering that the subject properties were purchased with the approval of the court in the course of the probate proceedings and were not in possession of anyone. It was justified in relying upon TCT Nos. T-41505 and T-41506 since it was not under any obligation to go beyond what appeared on the face of these titles.

²⁹ *Rollo* (G.R. No. 165875), pp. 663-664.

³⁰ *Id.* at 662.

³¹ *Rollo* (G.R. No. 165863), p. 112.

Respondent's argument

Respondent San Diego counters that the petitioners' claim of ownership over the subject properties was not sufficiently proven. They were not able to prove the superiority of their titles over their titles. It gave the following reasons:

First, the petitioners' titles have defects, as follows:

1. They were annotated with the inscription that the land described therein was originally registered under OCT No. 1898, but the technical descriptions found therein were lifted from OCT No. (1020) RO-9;
2. The inscriptions on the petitioners' titles state that the properties are located in Barrio Talaba when the properties described therein are situated in Barrio Niog;

Second, TCT Nos. 104248 and 104249 of Jimmy and Albert, respectively, were altered. The number 1898 in the OCT space was changed to reflect RO-9 instead. Their petitions for correction of entries in their titles filed before the CFI of Cavite failed to comply with the jurisdictional requirements of Section 108 of P.D. No. 1529, one of which was to give notice to a party in interest of one's application or petition for amendment or alteration to a title.

Third, even assuming that the petitioners' titles originated from OCT No. 1020, the petitions would still not prosper because OCT No. 1020 was never offered as evidence in court. Likewise, the petition for reconstitution filed by Ladislaw Cuenca (*Ladislaw*), dated January 26, 1959, was void on its face because it did not contain all the essential data required by law such as the location, area and boundaries of the properties; the nature and description of the buildings or improvements, if any, which did not belong to the owners of the land, the names and addresses of the owners of such buildings and improvements; the names and addresses of the occupants or persons in possession of the property; the names of the owners of the adjoining properties; and the names of all persons who might have any interest in the property.

Fourth, the alleged "new evidence" presented by the petitioners before the CA cannot support their claim of ownership because said "new evidence" were not new because the same could have been easily presented and produced during the trial. Even if the same were newly discovered, they did not affect, much less impinge on, the indefeasibility of the respondent's titles.

Fifth, the respondent's titles were legally issued. OCT No. O-644 was issued pursuant to Decree No. N-112239 in LRC No. 557 of the then CFI of Cavite, LRC Record No. N-30647, and TCT No. 17621 was derived from OCT No. O-490 in the name of Dominguez which was issued pursuant to Decree No. N-106480, LRC Case No. N-467, LRC Record No. N-27923.

Additionally, the respondent contends that LFC cannot raise for the first time on appeal the argument that it is an innocent purchaser for value.

The Court's Ruling

A person, who seeks registration of title to a piece of land, who claims that he has a better right to the property, or who prays for its recovery, must prove his assertion by clear and convincing evidence, and is duty bound to identify sufficiently and satisfactorily the property.³²

After cautiously going over the voluminous records of these consolidated cases and applying the pertinent law and jurisprudence on the matter, the Court holds that the respondent's claim over the disputed properties prevails over those of the petitioners.

The consolidated records reveal that the subject properties undeniably come from a large land area consisting of 271,264 square meters (PSU-2075) located in the Municipality of Bacoar, Cavite, which was originally owned by and registered in the name of Juan. PSU-2075 was traversed by a railroad track dividing it into two lots: Lot 1 covering the northern portion and Lot 2 covering the southern portion.

On February 15, 1922, upon application for registration, OCT No. 1020 which covered Lots 1 and 2 of PSU-2075 was issued to Juan. Later, on June 7, 1959, OCT No. 1020 was administratively reconstituted after a fire gutted the Cavite Provincial Hall, and Juan was issued OCT No. (1020) RO-9³³ which also contained the technical descriptions of Lots 1 and 2 of PSU-2075.

On April 14, 1928, a separate OCT – OCT No. 1898 - was issued to Juan covering Lot 1, North of the railroad track. Similarly, in June 1959, OCT No. 1898 was administratively reconstituted due to the fire that gutted the Cavite Municipal Hall and Juan was issued OCT No. (1898) RO-58. OCT No. (1898)RO-58 was divided into 13 lots. Eleven (11) were located in

³² *Datu Kiram Sampaco v. Hadji Serad Mingca Lantud*, G.R. No. 163551, July 18, 2011, 654 SCRA 36, 51; *Republic v. Spouses Enriquez*, G.R. No. 160990, September 11, 2006, 501 SCRA 436, 447; and *Spouses Divinagracia v. Leonidisa N. Cometa*, G.R. No. 159660, February 20, 2006, 482 SCRA 628, 658-659.

³³ *Rollo* (G.R. No. 165863), pp. 145-147.

the barrios of Talaba, Zapote, and Malicsi, and two (2) in the Poblacion of Bacoor, Cavite.

On April 16, 1969, after Juan's death, Lot 2 of OCT No. (1020) RO-9 was subdivided into 12 lots as approved by the CFI of Cavite, in an action for partition filed by Jose Cuenca (*Jose*), a surviving heir. Thereafter, 12 new titles were issued to each of these lots which included TCT No. 35963³⁴ for Lot 2-A; TCT No. 35973³⁵ for Lot 2-K; and TCT No. 35974³⁶ for Lot 2-L. These 3 lots – Lot 2-A, Lot 2-K and Lot 2-L – were titled and registered in the name of Juan. All these titles were inscribed as originally registered as OCT No. (1020) RO-9.

On September 9, 1969, Lot 2-A was subdivided into 7 lots and new individual titles were issued to each lot including TCT No. 41505³⁷ for Lot 2-A-3, which was adjudicated to Pura Cuenca (*Pura*), another heir; and TCT No. 41506 for Lot 2-A-4, which was adjudicated to Ladislav, also another heir. All these titles were inscribed as originally registered as OCT No. (1898) RO-58, and not as T-35963, originally registered as OCT No. (1020) RO-9.

Although the titles issued to Pura and Ladislav stated that the lands covered therein were originally registered as OCT No. 1898, which was Lot 1 of the northern portion of Juan's large tract of land, the technical descriptions in the said TCTs *were taken or lifted from* OCT No. (1020) RO-9, which was Lot 2 or the southern portion of Juan's large tract of land.

Likewise, Lot 2-K and Lot 2-L were consolidated and further subdivided into 8 lots. These 8 lots were issued new individual titles which included TCT No. 41497³⁸ for Lot 3, which was adjudicated to Ladislav; TCT No. 41498³⁹ for Lot 4, which was adjudicated to Pura; and TCT No. 41500 for Lot 6, which was adjudicated to Jose. All these new titles were inscribed as originally registered as OCT No. (1898) RO-58, not as T-35973 and T-35974, originally registered as OCT No. (1020) RO-9.

On October 21, 1976, after the death of Pura and Ladislav, the CFI of Cavite approved the sale of Lot 2-A-3 with TCT No. 41505 and Lot 2-A-4 with TCT No. 41506 to LFC. The new titles were eventually issued in the name of LFC. TCT No. 88468 and TCT No. 88467, which were also inscribed as originally issued as OCT No. (1898) RO-58.

³⁴ Id. at 163.

³⁵ Id. at 175.

³⁶ Id. at 176.

³⁷ Id. at 195.

³⁸ Id. at 181.

³⁹ Id. at 187.

On May 9, 1979, the CFI of Cavite approved the sale of Lot 3 with TCT No. 41497 and Lot 4 with TCT No. 41498 to Jimmy and Albert, respectively, and new titles were issued, TCT No.104248 for Jimmy and TCT No. 104249 for Albert. The new titles were inscribed as originally issued as OCT No. (1898)RO-58. Lot 6 with TCT No. 41500 was sold by Jose to Spouses Solis and a new title, TCT No. 94389, was issued to them.

There were two common features present in the titles of Jimmy, Albert and Spouses Solis: 1) the common inscription in their titles was that the lands covered therein were originally registered as OCT No.1898 on April 14, 1928; and 2) the common description that the properties therein were located in the Barrio of Talaba, Bacoar, Cavite.

The legal squabble in this case started when San Diego came into the picture and claimed ownership of the subject parcels of land for which titles were also registered in its name, based on OCT No. O-644, issued upon application and proper proceedings in LRC Case Nos. N-557 and N-30647 before the then CFI of Cavite and TCT No.T-17621 which cancelled OCT No. O-490 which, in turn, was originally issued to Dominguez, who sold the same property to it through an absolute deed of sale,⁴⁰ dated February 26, 1966.

To recapitulate, the parcels of land in dispute are those covered by 1) TCT No. 88467 and TCT No. 88468 issued in favor of LFC; 2) TCT No. T-104248 and TCT No. T-104249 issued in favor of Jimmy and Albert; 3) TCT No. T-94389 issued in favor of Spouses Solis; 4) TCT No. T-17621 which cancelled OCT No. O-490 and issued in favor of San Diego; and 5) OCT No. O-644 issued in favor of San Diego.

Specifically, on the LFC claim of exclusive ownership over the two (2) parcels of land covered by TCT Nos. 88467 and 88468, issued on February 18, 1977, San Diego insists that it has been in open, continuous and adverse possession in the concept of an owner of these parcels of land for more than fifty (50) years before they were purchased by LFC. San Diego bought the subject property from Dominguez on February 6, 1966 and the absolute deed of sale was submitted in LRC Case No. N-557. It has also been declaring said property for tax purposes.

With respect to the claims of ownership by Jimmy and Albert over the parcels of land covered by TCT No. T-104248 and TCT No. T-104249 issued on January 20 and 30, 1979, respectively, San Diego argues that it acquired the same parcels by virtue of TCT No. T-17621 issued on March 2, 1966 which cancelled OCT No. O-490 originally issued to Dominguez, who sold the same property to San Diego.

⁴⁰ *Rollo* (G.R. No. 165875), pp. 666-668.

On their part, Spouses Solis claim that they purchased a portion of the property titled under TCT No. T-17621 in favor of San Diego from Jose for which TCT No. T-94389 was issued to them.

**Petitioners failed to prove
the superiority of their titles over
those of the respondent**

In civil cases, the party having the burden of proof must establish his case by a preponderance of evidence. "Preponderance of evidence" is the weight, credit, and value of the aggregate evidence on either side and is usually considered to be synonymous with the term "greater weight of the evidence" or "greater weight of the credible evidence." It is a phrase which, in the last analysis, means probability of the truth. It is evidence which is more convincing to the court as worthy of belief than that which is offered in opposition thereto.⁴¹

In the consolidated cases at bench, the petitioners failed to discharge the burden of proving the superiority of their titles over those of the respondent. Contrary to the petitioners' arguments, the evidence on record unmistakably show that their titles have common defects. These are 1] the petitioners' titles are annotated with the inscription that the land described therein was originally registered under OCT No. 1898, but the technical descriptions found therein were lifted from OCT No. (1020) RO-9; and 2) the petitioners' titles specifically state that the subject properties are located in the Barrio of Talaba, Bacoar, Cavite, when the properties described therein are actually situated in the Barrio of Niog, which is a separate and distinct locality.

These defects were carried over from the defective titles of their predecessors-in-interest, namely, Pura and Ladislaw, which contained technical descriptions which, however, did not correspond with the recital of facts in the certification portion. It may be recalled that when TCT NO. 41505 was adjudicated to Pura, and TCT No. 41506 to Ladislaw on September 9, 1969, both titles were inscribed as originally registered as OCT No. (1898) RO-58, and not as T-35963, originally registered as OCT No. (1020)RO-9.

The defects of these titles are evident from the fact that OCT No. (1020) RO-9 is different from OCT No. 1898. OCT No. (1020) RO-9 was an administratively reconstituted title from OCT No. 1020 issued to Juan on February 15, 1922. On the other hand, OCT No. 1898 was a separate OCT issued to Juan on April 14, 1928. OCT No. 1898 covered Lot 1, the northern

⁴¹ *Encinas v. National Bookstore, Inc.*, 485 Phil. 683, 695(2004).

portion of Juan's vast tract of land, while OCT No. (1020) RO-9 covered its southern portion.

The same defects also showed in TCT No. 41497 issued in favor of Ladislaw; TCT No. 41498 issued in favor of Pura; and in TCT No. 41500 issued in favor of Jose. All these titles were likewise inscribed as originally registered as OCT No. (1898) RO-58, and not as T-35973 and T-35974, originally registered as OCT No. (1020)RO-9.

Since TCT No. 41505 and TCT No. 41506 were defective titles issued on September 9, 1969 to Pura and Ladislaw, respectively, it necessarily follows that LFC's TCT No. 88468 and TCT No. 88467, which cancelled said titles, were likewise defective. The same is true with the title issued to Spouses Solis, TCT No. 94389, which cancelled TCT No. 41500.

Clearly, the mismatch in the technical descriptions and the recital of facts in the certification on the face of the petitioners' titles creates a serious cloud of doubt on the integrity of the said titles. The obvious disparities make it difficult to exactly determine the subject parcels of land covered by the said titles in the sense that the technical descriptions therein referred to the area south of Juan's tract of land while the recital of facts in the certification therein refers to the area north of Juan's tract of land. It must be stressed that the northern and southern portions of Juan's tract of land have separate titles, OCT No. 1898 for the northern portion and OCT No. 1020 for the southern portion. In effect, the petitioners' alleged ownership rights over the subject properties have not been satisfactorily and conclusively proven due to such inconsistencies.

The petitioners, however, argue that the errors or disparities in the inscriptions on the face of their respective titles were just clerical and, therefore, cannot affect the integrity of their titles. In this regard, the Court adopts the initial ruling of the CA on the matter and other related points in its December 24, 1991 Decision in CA G.R. No. 13540, which reads:

The appellees (petitioners) argue, however, that the annotations appearing in their respective titles are mere clerical errors and that the technical descriptions contained therein should prevail. This argument, however, cannot find application to the case at bar because the opposing parties have in their possession titles referring to the same property, and whose technical descriptions pertain to the said property. The appellees' claim that it is the annotations in their titles that are erroneous is not supported by the evidence. On the contrary, their admission that the original titles of their predecessors-in-interest were reconstituted casts doubts on the appellees' claim that the technical description should prevail over the annotations.

Our conclusion that the appellees' titles are defective is bolstered by the fact that the titles of their predecessors-in-interest were already defective, as a result of the partition of the property. As narrated in the foregoing facts, pursuant to a partition of the estate of Juan Cuenca, separate titles were issued to the heirs Pura, Ladislawa and Jose Cuenca. One parcel adjudicated to Pura Cuenca covered by TCT No. 41505 was issued on February 24, 1970 (Annex "L"). This title was defective in the manner already mentioned, that is, the annotation states that the origin of the said transfer certificate of title was O.C.T. No. 1898, but the technical description was lifted from O.C.T. (1020) RO-9. Another parcel, adjudicated to Ladislawa Cuenca was covered by T.C.T. No. 41506 (Annex "M"). This, title, likewise, contained the same defect. These two parcels were eventually sold to appellee Lorenzana Food Corporation and the defect was carried over to the new titles issued to it.

Transfer Certificate of Title No. 41498 issued to Pura Cuenca (Exhibit "TTT-5") covering still another parcel also carried the same defect. This parcel was later sold to appellee Albert Chua, and his new title, in turn, continued to contain the same defect. Moreover, TCT No. 41437 (Exhibit "TTT-4"), covering a parcel adjudicated to Ladislawa Cuenca, was also defective. When sold to appellee Jimmy Chua Chi Leong, the new title issued to him also carried the same defect. The last subject parcel was adjudicated to Jose Cuenca, whose TCT No. 41501 was also defective. Accordingly, the new title issued to the appellee spouses Solis, who bought said parcel, was also defective.

Thus, even though the appellees can trace their titles as having been originally registered on February 21, 1922, the succeeding titles, issued on February 24, 1970, were all defective. Why no effort was exerted to correct the alleged "clerical errors" on the part of the appellees' predecessors-in-interest, has not been explained. The uncorrected defects in the appellees' titles have brought about this present controversy.

Notwithstanding, the appellant's (respondent) O.C.T. No. 0-644 and T.C.T. No. T-17621 were issued way before the defective titles were issued to Pura, Ladislawa and Jose Cuenca. And more so, the appellant's titles were issued and registered long before the appellees purchased the subject parcels from the Cuencas. As against the perfect and regularly issued titles of the appellant, the appellees' belated and defective titles must give way.⁴²

Furthermore, the titles issued sometime in 1979, (TCT No. 104248, to Jimmy which cancelled TCT No. 41497, and TCT No. 104249, to Albert which cancelled TCT No. 41498) are likewise defective due to the apparent material alterations in the certification portion of their respective titles. The certifications were altered to make the number 1898 appear as RO-9 in the OCT space of the titles. The CA was correct in saying that material alterations affected the integrity of these titles.

⁴² *Rollo* (G.R. No. 165875), pp. 203-205.

Jimmy and Albert manifested that they filed a petition for the correction of entries in their respective titles before the then CFI of Cavite and that the said court granted their petition. The records, however, failed to show sufficient proof that Jimmy and Albert faithfully complied with the basic notice requirement under Section 108 of P.D. No. 1529, which provides as follows:

Sec. 108. *Amendment and alteration of certificates.* — No erasure, alteration, or amendment shall be made upon the registration book after the entry of a certificate of title or of a memorandum thereon and the attestation of the same by the Register of Deeds, except by order of the proper Court of First Instance. A registered owner or other person having an interest in registered property, or, in proper cases, the Register of Deeds with the approval of the Commissioner of Land Registration, may apply by petition to the court upon the ground that the registered interests of any description, whether vested, contingent, expectant or inchoate appearing on the certificate, have terminated and ceased; or that [a] new interest not appearing upon the certificate have arisen or been created; or that an omission or error was made in entering a certificate or any memorandum thereon, or on any duplicate certificate; or that the name of any person on the certificate has been changed; or that the registered owner has married, or, if registered as married, that the marriage has been terminated and no right or interest of heirs or creditors will thereby be affected; or that a corporation which owned registered land and has been dissolved has not conveyed the same within three years after its dissolution; or upon any other reasonable ground; and the court may hear and determine the petition after notice to all parties in interest, and may order the entry or cancellation of a new certificate, x x x. [Emphases supplied]

The above provision requires that all interested parties must be duly notified of the petitioner's application for amendment or alteration of the certificate of title. Relief under the said legal provision can only be granted if there is unanimity among the parties, or that there is no adverse claim or serious objection on the part of any party in interest.⁴³

Without doubt, San Diego, a party-in-interest with an adverse claim, was not duly notified of the said petition. The records reveal that despite their knowledge about its adverse claim over the subject properties, Jimmy and Albert never notified San Diego about their application or petition for amendment or alteration of title. This Court agrees with the CA that the lack of notice to San Diego placed in serious question the validity of the CFI judgment or its enforceability against it. An amendment/alteration effected

⁴³ *Tagaytay-Taal Tourist Development Corporation v. CA*, 339 Phil. 377, 389 (1997).

without notice to the affected owners would not be in compliance with law or the requirements of due process.⁴⁴

The record shows that Albert was aware of San Diego's adverse claim on his property. Despite said knowledge, there was still no due notice given to it. Thus:

Atty Bernardo:

Q After you purchased this property did you take possession thereof?

A Yes, sir.

Q Did any person disturb your property?

A Yes, sir.

By Atty. Bernardo (To the witness)

Q Did you come to know who is that person?

A Yes, sir.

Q Who?

A The men of Bartolome San Diego, sir.

Q Did you come to know why they disturb your possession?

A Yes, sir.

Q What?

A Because they claimed that they are also the owner of the lot, sir.

Q After knowing that Bartolome E. San Diego is claiming to be the owner of your lot, what did you do?

A I went to my attorney and he instructed me also to locate for the original title from where this lot came from. (TSN, pp. 15-16, July 19, 1983)⁴⁵

There is no overlapping of the properties covered by the titles of the parties

The petitioners argue that an overlapping of titles was established by their evidence. Surveys and sketch plans⁴⁶ were presented showing the relative positions of the subject properties as well as their history⁴⁷ which

⁴⁴ *Life Homes Realty Corporation v. CA*, G.R. No. 120827, February 15, 2007, 516 SCRA 6, 14.

⁴⁵ *Rollo* (G.R. No. 165863), pp. 90-91.

⁴⁶ *Id.* at 104-118.

⁴⁷ *Id.* at 141.

were traced all the way back to their mother title, OCT No. 1020. Moreover, the Bureau of Lands, through the Chief of its Technical Services Section, Engr. Venezuela, identified the subject properties using the technical descriptions in TCT Nos. T-88467 and T-88468 in a verification survey conducted in compliance with the order of the trial court. His Report, dated July 1, 1980, stated that there was an overlapping between the subject properties and the property described in the respondent's OCT No. O-644. The report showed that of the 9,287 square meters of land comprising Lot 2-A-3 Psd-110980 (TCT No. T-88468), 5,628 square meters were overlapped by the respondent's OCT No. O-644, while 7,489 square meters of the 9,288 square meter of Lot 2-A-4 (TCT No. T-88467) were overlapped by OCT No. O-644. This report was the basis of the Certification, dated February 14, 1995, of the LRA, to the effect that Lots 1 and 2 situated in Barrio Niog, Bacoar, Cavite, decreed in LRC Case No. N-557, Record No. N-30647 under Decree No. N-112239 issued on January 4, 1967 in favor of the respondent, were parcels of land covered by OCT No. O-644, and when plotted in the municipal index sheet through its tie line, would fall inside subdivision plan (LRC) Psd-99697, Lot-2-A, which included the subject properties.

The respondent, however, asserts that overlapping is impossible because the properties in question are located in different barrios; the petitioners' properties are in Barangay Talaba, while those of the respondent are situated in Barangay Niog.

Considering the critically defective certificates of title, there can be no clear evidence of overlapping. As the petitioners themselves judicially admitted, their respective certificates of title were defective because 1] the mother title, indicated therein, was OCT No. 1898, containing descriptions lifted from OCT No. (1020) RO-9, a reconstituted title; 2] the location of the properties as indicated in their titles was Barrio Talaba; and 3] the technical descriptions contained in their TCTs pertain to properties specified in OCT No. (1020) RO-9.

These defects are very material that it cannot be argued that they are just clerical in nature. The flaws in their titles are major defects that cannot just be dismissed as typographical and innocuous. The defects pertain to the essential core of a title and definitely affect their integrity. Being significantly defective, these cannot serve as indubitable and valid bases for a clear and convincing delineation of the metes and bounds of the properties. The Court already debunked this argument in its April 22, 1994 Decision in G.R. No. 105027. Thus:

Petitioners would minimize the import of the defects in their titles by describing them as "clerical." The plea does not persuade for the self-contradictions in petitioners' titles infract their

integrity. Errors that relate to the lots' mother title, their technical descriptions and their locations cannot be dismissed as clerical and harmless in character. With these errors, the titles of the petitioners do not deserve the sanctity given to torrens title. These errors precisely created and cast the cloud of doubt over petitioners' titles and precipitated the case at bench.⁴⁸

The apparent defects in the certificates of title prove that the petitioners are claiming the wrong property, as evidenced by the Certification⁴⁹ of the Office of the Municipal Planning and Development Coordinator, Bacoor, Cavite. In other words, the petitioners are claiming ownership of parcels of land not in the location stated in their respective titles.

The properties, presently in possession of San Diego, are located in Barrio Niog, as described in their titles. Although Barrio Talaba and Barrio Niog are adjacent to each other, their respective boundaries are clearly defined and delineated from the plans, maps and surveys on record. It has not been shown, so far, that the said barrios were one and the same at some point in time. Basic is the rule that a person, who claims that he has a better right to the property or prays for its recovery, must prove his assertion by clear and convincing evidence and is duty bound to identify sufficiently and satisfactorily the property.⁵⁰

Consistently, the notices of hearing of Juan's applications for registration and confirmation of title in Case No. 129, GLRO Record No. 29210⁵¹ and Case No. 69, GLRO Record No. 18826,⁵² before the CFI of the Province of Cavite, specifically indicated therein that the properties applied for were located in *Barrios Talaba, Zapote, Malicsi, and Poblacion*, in Bacoor, Cavite. There was no mention whatsoever of any property located in Barrio Niog. It is for this reason that the Court finds difficulty in accepting the petitioners' theory that the property that they have been claiming may have been erroneously classified as situated in Barrio Talaba, when they are actually located in Barrio Niog.

The verification survey is unreliable

Like the petitioners' titles, the Court finds the verification survey conducted by Engr. Venezuela of the Bureau of Lands unreliable. It is so because Engr. Venezuela admitted that his table survey was merely based on

⁴⁸ *Lorenzana Food Corp. v. CA*, supra note 26 at 726.

⁴⁹ *Rollo* (G.R. No. 165863), p. 103.

⁵⁰ *Datu Kiram Sampaco v. Hadji Serad Mingca Lantud*, G.R. No. 163551, July 18, 2011, 654 SCRA 36, 51; *Republic v. Spouses Enriquez*, G.R. No. 160990, September 11, 2006, 501 SCRA 436, 447; and *Spouses Divinagracia v. Leonidisa N. Cometa*, G.R. No. 159660, February 20, 2006, 482 SCRA 628, 658-659.

⁵¹ *Rollo* (G.R. No. 165863), p. 217.

⁵² *Id.* at 149.

the technical description of the defective titles. Naturally, an overlapping would be expected on this basis. Again, the Court reiterates its position in this regard which appears in its April 22, 1994 Decision in G.R. No. 105027. Thus:

To be sure, these defects were judicially admitted by the petitioners. They attached their defective titles to their complaints in the trial court. As aforesaid, their titles showed on their very face that they covered lots located in Barrio Talaba, municipality of Bacoor whereas the lots of private respondent are in Barrio Niog of the same municipality. The two barrios are one and a half kilometers away from each other. Likewise, the face of their titles show that they emanated from OCT No. 1898 or from Lot 1 constituting the northern portion of Juan Cuenca's property before its subdivision. Nonetheless, the technical descriptions of the lots appearing in their titles were lifted from OCT No. (1020) RO-9 or from Lot 2 forming the southern portion of Juan Cuenca's land. No less than petitioners' witness, Eng. Venezuela, confirmed these blatant defects when he testified, thus:

BY ATTY. VASQUEZ: (to the witness)

Q You said you referred to these titles in connection with your verification?

WITNESS:

A Yes, sir.

Q Now, I presume you also saw the matters stated in the second paragraph of the first page of the titles, I am referring . . . particularly to the fact that as stated in both of these titles, this land was originally registered on April 14, 1928 as Original Certificate of Title 1898 pursuant to Decree No. 338259 LRC Record No. 29214, did you notice those?

WITNESS:

A I noticed that, sir.

x x x

BY ATTY. VASQUEZ: (To the witness)

Q In the report that you submitted to this Court on your verification survey, we find in paragraph 8, No, paragraph 4, subparagraph f, the following statement which I read, "THAT AS PER TECHNICAL DESCRIPTIONS APPEARING ON TCT NO. 88467 AND TCT NO. 88468 REGISTERED IN THE NAME OF. . . . LORENZANA FOOD CORPORATION, THE PROPERTY FALLS IN THE BARRIO OF NIOG, BACOR, CAVITE," CONTRADICTING TO THE LOCATION STATED IN THE

TITLE WHICH IS BARRIO TALABA, I READ FURTHER, "IT MAY BE DUE TO THE FACT THAT SAID TITLE ORIGINATED FROM ORIGINAL CERTIFICATE NO TITLE NO. 1898 DECREED UNDER NO. 338259 WHICH IS ACTUALLY LOCATED IN BARRIO TALABA, BACOR, CAVITE.

MY QUESTION IS, BARRIO TALABA AND BARRIO NIOG ARE DIFFERENT BARRIOS?

WITNESS:

A YES, SIR.

Q And you have apparently noticed that the statement contained in the second paragraph of the title of plaintiff stating that the land supposed to be covered by said titles is derived from OCT No. 1898?

A Yes, sir.

Q Are we to understand that the land covered by OCT No. 1898 is not the same land covered by the titles of the Lorenzana?

x x x

A In a sense it is not actually, the title OCT 1898 is located on northern portion of OCT No. 1020, in fact I made here a working sheet showing the titles, the one Original Certificate of Title 1020 and Original Certificate of Title 1898 and I have here a sketch plan of the positions.
x x x.

x x x

BY ATTY. VASQUEZ: (To the witness)

Q You [are] mentioned OCT No. 1898 and OCT No. 1020, you will tell the Court of these two (2) titles cover different parcels of land?

WITNESS:

A As per my sketch sheet plan, Original Certificate of Title No. 1020 is located at the southern portion of the Original of Title No. 1898, meaning to say that they are far apart from each other.

Q Now, this technical description that you utilized to plot the land described in the title or titles of the plaintiff, which title did you use, 1898 or 1020?

A I just followed the title as issued, as ordered by the Court.

I based my verification based on the title as required by the Court.

Q THE QUESTION IS, ACCORDING TO YOU VERIFICATION, THE LAND BEING CLAIMED BY THE PLAINTIFF, IS IT COVERED BY 1898 OR 1020?

WITNESS:

A WELL, IT IS ALREADY CLEAR ON THE TITLE THAT IT WAS TAKEN FROM OCT 1898.

Q I will not argue to that fact that the title of Lorenzana was taken from 1898 but I am asking you the plotting of the technical description as described on the title of the plaintiff is referring to a land covered by original certificate of title 1898 or 1020?

A It is very clear on my plan that the two (2) titles of Lorenzana happened to fall to Original Certificate of Title No. 1020.

Q IN OTHER WORDS, IF WE GO BY THE TITLE, IT WOULD APPEAR THAT THIS TITLE OF THE LORENZANAS WAS DERIVED FROM 1898 BUT THE TECHNICAL DESCRIPTION WAS FROM ANOTHER TITLE SPECIFICALLY 1020?

WITNESS:

A YES, SIR, BY USING THE TECHNICAL DESCRIPTION (pp. 34-35, 37-40, 41-43, tsn, 12-9-80, bold letters supplied).

His attempt to reconcile the defects and inconsistencies appearing on the faces of petitioners' titles did not impress the respondent court and neither are we. His opinion lacks authoritativeness for his verification survey was not made on the land itself. It was a mere table survey based on the defective titles themselves.⁵³ [Emphasis supplied]

San Diego's titles have no marked defect and accompanied by an open, adverse and continuous possession

In contrast, San Diego was able to sufficiently prove their claim of ownership of the subject properties. Its certificates of title covering the subject properties have no marked defects and the description of the properties therein coincides with the annotations appearing thereon. Thus, its titles state that the subject properties are located in Barrio Niog and the parcels of land it claims are also located in the same barrio. There is simply

⁵³ *Lorenzana Food Corporation v. CA*, supra note 26, at 724-726.

no discrepancy between its titles and the actual location of the subject properties being claimed and possessed by it.

Moreover, San Diego has in its favor the fact that it has been in open, adverse and continuous possession of the subject properties since it purchased the same on February 6, 1966. Their prior and lawful possession of their titled properties is further bolstered by the fact that they have been paying the property taxes thereon since their purchase in 1966.⁵⁴

The documents of petitioners are not newly discovered evidence

The Court sustains the ruling of the CA that the alleged new documents submitted by the petitioners cannot be considered as newly discovered evidence. The documents attached by the petitioners in their petition to re-open were the following: 1] Certified true copies of notices of hearing pertaining to Juan's application for registration and confirmation of title; 2] Certification by the Municipal Planning and Development Coordinator of Bacoar, Cavite, that Barrios Niog and Talaba are adjacent; and 3) certification from the LRA regarding the encroachment of San Diego's property. These are not newly discovered and they cannot affect the Court's ruling in its April 22, 1994 Decision in G.R. No. 105027. The Court quotes with approval the ruling of the CA on this matter:

A common characteristic shared by all the foregoing documents is that they are not exactly "newly discovered evidence" as plaintiffs' claim they are. By their nature, all of them could have been previously obtained and presented by plaintiffs at the hearings before the lower court. For plaintiffs' failure to present these documents there is no one else to blame but themselves. It appears that they did not exert their best efforts to get hold of evidence which was already available, or at the very least, obtainable, to buttress their claim. To allow the presentation of evidence on a piece-meal basis, thereby needlessly causing a delay in the resolution of the case would be anathema to the purpose of delivering justice.⁵⁵

In view of the foregoing, the Court can safely state that San Diego's OCT No. O-644 and TCT No. T-17621 (from OCT No. O-490) are more reliable than LFC's TCT No. 88467 and TCT No. 88468; Jimmy and Albert's TCT T-104248 and TCT T-104249, respectively; and Spouses Solis's TCT No. T-94389.

⁵⁴ *Rollo* (G.R. No. 165863), pp. 135-136.

⁵⁵ *Id.* at 92.

Finally, as to LFC's assertion that it is an innocent purchaser for value, suffice it to state that this doctrine is not applicable as the contending titles do not refer to one and the same property. The Court, once again, restates its position on any claim of damages against its predecessors-in-interest. Thus:

In a last swing against the disputed Decision, petitioners contend that the respondent court committed grave abuse of discretion when it failed to pass judgment on the liabilities of the estates of Pura Cuenca and Ladislav Cuenca, their predecessors-in-interest. The contention deserves scant attention. The records show that the trial court dismissed petitioners' Complaint against the Estates of Pura Cuenca and Ladislav Cuenca in Civil Case Nos. BCV-80-17 and BCV-81-18. They alleged that the said Estates breached their warranties as sellers of the subject lots. Petitioners Lorenzana Food Corporation as well as Jimmy Chua Chi Leong and Albert Chua did not appeal the dismissal of their Complaints against these Estates. The dismissal has become final and petitioners cannot resurrect the Estates' alleged liability in this petition for review on *certiorari*.⁵⁶

Granting arguendo that they are so, the remedy of the petitioners is to seek compensation from the Assurance Fund.

WHEREFORE, the consolidated petitions are hereby **DENIED** for lack of merit.

SO ORDERED.


JOSE CATRAL MENDOZA
Associate Justice

⁵⁶ *Lorenzana Food Corporation v. CA*, supra note 26, at 727.

WE CONCUR:



PRESBITERO J. VELASCO, JR.

Associate Justice

Chairperson



DIOSDADO M. PERALTA

Associate Justice



ROBERTO A. ABAD

Associate Justice



MARVIC MARIO VICTOR F. LEONEN

Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



PRESBITERO J. VELASCO, JR.

Associate Justice

Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO

Chief Justice