



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

LAURA E. PARAGUYA,
Petitioner,

G.R. No. 200265

Present:

- versus -

CARPIO, *J.*, Chairperson,
BRION,
DEL CASTILLO,
PEREZ, and
PERLAS-BERNABE, *JJ.*

**SPOUSES ALMA ESCUREL-
CRUCILLO and EMETERIO
CRUCILLO,* and the REGISTER
OF DEEDS OF SORSOGON,
Respondents.**

Promulgated:

DEC 02 2013

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RESOLUTION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*¹ are the Decision² dated June 27, 2011 and Resolution³ dated January 9, 2012 of the Court of Appeals (CA) in CA-G.R. CV. No. 94764 reversing the Decision⁴ dated April 22, 2009 of the Regional Trial Court of Gubat, Sorsogon, Branch 54 (RTC) in Civil Case No. 1583 which ordered respondents-spouses Alma Escurel-Crucillo (Escurel) and Emeterio Crucillo (Sps. Crucillo) to surrender ownership and possession of certain parcels of land located at Maragadao, Villareal, Gubat, Sorsogon (subject properties) in favor of petitioner Laura E. Paraguya (Paraguya), and for respondent Register of Deeds of Sorsogon

* Both deceased. Substituted by their heirs, namely, Ella E. Crucillo, Emelina Crucillo-Resurreccion, Emily Crucillo-Fajardo, Arnel E. Crucillo, Elaine E. Crucillo and Alex E. Crucillo; *Rollo*, p. 14.

¹ Id. at 10-46.

² Id. at 49–61. Penned by Associate Justice Hakim S. Abdulwahid, with Associate Justices Ricardo R. Rosario and Danton Q. Bueser, concurring.

³ Id. at 97-98.

⁴ Id. at 62-70. Penned by Judge Fred G. Jimena.

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(RD) to cancel Original Certificate of Title (OCT) No. P-17729⁵ covering the foregoing properties.

The Facts

On December 19, 1990, Paraguya filed before the RTC a Complaint⁶ against Sps. Crucillo and the RD for the annulment of OCT No. P-17729 and other related deeds, with prayer for receivership and damages, alleging that Escurel obtained the aforesaid title through fraud and deceit. Paraguya claimed that she is the lawful heir to the subject properties left by her paternal grandfather, the late Ildefonso Estabillo⁷ (Estabillo), while Escurel was merely their administrator and hence, had no right over the same.⁸

On January 18, 1991, the RD filed its answer and denied any involvement in the aforesaid fraud, maintaining that its issuance of OCT No. P-17729 was his ministerial duty.⁹

Thereafter, or on February 7, 1991, Sps. Crucillo filed their answer with motion to dismiss, averring that Paraguya's complaint had already been barred by laches and/or prescription.¹⁰ They further alleged, among others, that Escurel, through her father, the late Angel Escurel, applied for a free patent over the subject properties, resulting in the issuance of Free Patent No. V-3 005844 under OCT No. P-17729 in her name.

During pre-trial, the parties stipulated on the following: (a) the identity of the subject properties which are covered by OCT No. P-17729 in the name of Escurel; (b) the fact that the subject properties were originally owned by Estabillo, the common ancestor of Paraguya and Escurel, being the former's grandfather and the latter's great-grandfather; and (c) the fact that Sps. Crucillo are in actual possession of the subject properties.¹¹

During trial, Paraguya testified as to how she came about owning the subject properties, presenting a document entitled Recognition of Ownership and Possession dated December 1, 1972 executed by her siblings, as well as a *titulo posesorio* issued sometime in 1893 or 1895 in the name of Estabillo. A representative of the Community Environment and Natural Resources Office (CENRO), by the name of Ramon Escanilla, also testified in Paraguya's favor, stating that aside from an affidavit dated December 17, 1976¹² executed by Escurel's brother, Adonis Escurel (Adonis), there were

⁵ Records, p. 6.

⁶ Id. at 1-5.

⁷ "Estavillo" in some parts of the records.

⁸ *Rollo*, p. 50.

⁹ Id.

¹⁰ Id. at 50-51.

¹¹ Id. at 65.

¹² See records, p. 199.

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no other documents of ownership presented before the Bureau of Lands in support of Escurel's application for title.¹³

For their part, Sps. Crucillo presented several witnesses who testified that Escurel had been in possession of the subject properties in the concept of an owner as early as 1957. Escurel then admitted that her brother, Adonis, executed an affidavit dated December 17, 1976 in her favor. She likewise admitted that she executed an affidavit, entitled Ratification of Ownership (affidavit of adjudication), on the same date, in support of the free patent application with the Bureau of Lands.¹⁴

The RTC Ruling

In a Decision¹⁵ dated April 22, 2009, the RTC granted Paraguay's complaint, ordering the annulment of OCT No. P-17729. Accordingly, it directed the RD to cancel the said title and Sps. Escurillo to surrender ownership and possession of the subject properties to Paraguay.

It found that there was a discrepancy in the area of the subject properties applied for registration, as Adonis's affidavit – which was made as the basis of Escurel's affidavit of adjudication – stated that the actual area thereof was only 8,392 square meters (sq. m.) whereas OCT No. P-17729 indicated that the foregoing properties had an area of 30,862 sq. m. In this regard, the RTC concluded that the requisites for the application for registration were not complied with. Likewise, it observed that Escurel's ownership over the subject properties was not proven, adding that the affidavit of adjudication made by her and submitted to the CENRO was self-serving. Based on its findings, it then concluded that there was fraud in Escurel's acquisition of the above-mentioned title.¹⁶

On May 15, 2009, a motion for reconsideration was filed by the Heirs of Sps. Crucillo, who had substituted the latter due to their supervening death. The said motion was, however, denied on December 16, 2009, prompting them to elevate the case to the CA.¹⁷

The CA Ruling

In a Decision¹⁸ dated June 27, 2011, the CA reversed the RTC's ruling and ordered the dismissal of Paraguay's complaint.

¹³ *Rollo*, p. 52.

¹⁴ *Id.* at 52-53.

¹⁵ *Id.* at 62-70.

¹⁶ *Id.* at 69-70.

¹⁷ *Id.* at 53.

¹⁸ *Id.* at 40-61.

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Citing Section 32 of Presidential Decree No. (PD) 1529,¹⁹ otherwise known as the “Property Registration Decree,” it held that OCT No. P-17729 became indefeasible and incontrovertible after the lapse of one (1) year from its issuance on August 24, 1979, thus barring Paraguya’s complaint.²⁰ Moreover, it found that the express trust relationship between Escurel and Estabillo was not sufficiently established. Finally, it pointed out that Paraguya was not a real-party-interest since she has not proven her title over the subject properties, stating that the *titulo posesorio* she held could no longer be used as evidence of ownership.

Aggrieved, Paraguya moved for reconsideration²¹ which was, however, denied on January 9, 2012.²² Hence, this petition.

Issue Before the Court

The sole issue in this case is whether or not the CA correctly dismissed Paraguya’s complaint for annulment of title.

The Court’s Ruling

The petition has no merit.

It is an established rule that a Torrens certificate of title is not conclusive proof of ownership. Verily, a party may seek its annulment on the basis of fraud or misrepresentation. However, such action must be seasonably filed, else the same would be barred.²³

In this relation, Section 32 of PD 1529 provides that the period to contest a decree of registration shall be one (1) year from the date of its entry and that, after the lapse of the said period, the Torrens certificate of title issued thereon becomes incontrovertible and indefeasible, *viz.*:

Sec. 32. Review of decree of registration; Innocent purchaser for value. The decree of registration shall not be reopened or revised by reason of absence, minority, or other disability of any person adversely affected thereby, nor by any proceeding in any court for reversing judgments, subject, however, to the right of any person, including the government and the branches thereof, deprived of land or of any estate or interest therein by such adjudication or confirmation of title obtained by

¹⁹ “AMENDING AND CODIFYING THE LAWS RELATIVE TO REGISTRATION OF PROPERTY AND FOR OTHER PURPOSES.”

²⁰ *Rollo*, pp. 55-56.

²¹ *Id.* at 71-82.

²² *Id.* at 97-98.

²³ “It may be argued that the certificate of title is not conclusive of ownership when the issue of fraud and misrepresentation in obtaining it is raised. However, this issue must be raised seasonably.” (*Heirs of the Late Fernando S. Falcasantos v. Tan*, G.R. No. 172680, August 28, 2009, 597 SCRA 411, 414; citations omitted)

actual fraud, to file in the proper Court of First Instance a petition for reopening and review of the decree of registration **not later than one year from and after the date of the entry of such decree of registration**, but in no case shall such petition be entertained by the court where an innocent purchaser for value has acquired the land or an interest therein, whose rights may be prejudiced. Whenever the phrase “innocent purchaser for value” or an equivalent phrase occurs in this Decree, it shall be deemed to include an innocent lessee, mortgagee, or other encumbrancer for value.

Upon the expiration of said period of one year, the decree of registration and the certificate of title issued shall become incontrovertible. Any person aggrieved by such decree of registration in any case may pursue his remedy by action for damages against the applicant or any other persons responsible for the fraud. (Emphases and underscoring supplied)

In view of the foregoing, the Court is impelled to sustain the CA’s dismissal of Paraguya’s complaint for annulment of OCT No. P-17729²⁴ since it was filed only on December 19, 1990, or more than eleven (11) years from the title’s date of entry on **August 24, 1979**.²⁵ Based on Section 32 of PD 1529, said title had become incontrovertible and indefeasible after the lapse of one (1) year from the date of its entry, thus barring Paraguya’s action for annulment of title.

The Court likewise takes note that Paraguya’s complaint is likewise in the nature of an action for reconveyance because it also prayed for the trial court to order Sps. Crucillo to “surrender ownership and possession of the properties in question to [Paraguya], vacating them altogether x x x.”²⁶ Despite this, Paraguya’s complaint remains dismissible on the same ground because the prescriptive period for actions for reconveyance is ten (10) years reckoned from the date of issuance of the certificate of title, except when the owner is in possession of the property, in which case the action for reconveyance becomes imprescriptible.²⁷ Such exception is, however, inapplicable in this case because as stipulated by the parties herein, it is Sps. Crucillo, and not Paraguya, who are in possession of the land covered by OCT No. P-17729.

As a final point, it is well to note that even if the barring effect of Section 32 and the above-stated prescriptive period for reconveyance are discounted, Paraguya’s complaint for annulment of title should be dismissed altogether since she merely relied on the *titulo posesorio* issued in favor of Estabillo sometime in 1893 or 1895. Based on Section 1 of PD 892, entitled “Discontinuance of the Spanish Mortgage System of Registration and of the Use of Spanish Titles as Evidence in Land Registration Proceedings,”

²⁴ See records, pp. 1-5.

²⁵ See OCT No. P-17729, id. at 6.

²⁶ Id. at 4.

²⁷ See *Orduña v. Fuentesbella*, G.R. No. 176841, June 29, 2010, 622 SCRA 146, 162, citing *Heirs of Salvador Hermosilla v. Spouses Remoquillo*, 542 Phil. 390, 396 (2007).

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Spanish titles can no longer be used as evidence of ownership after six (6) months from the effectivity of the law, or starting August 16, 1976,²⁸ viz.:

Section 1. The system of registration under the Spanish Mortgage Law is discontinued, and all lands recorded under said system which are not yet covered by Torrens title shall be considered as unregistered lands.

All holders of Spanish titles or grants should apply for registration of their lands under Act No. 496, otherwise known as the Land Registration Act, **within six (6) months from the effectivity of this decree. Thereafter, Spanish titles cannot be used as evidence of land ownership in any registration proceedings under the Torrens system.** (Emphasis and underscoring supplied)

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Hence, since Paraguya only presented the *titulo posesorio* during the pendency of the instant case, or during the 1990's onwards, the CA was correct in not giving any credence to it at all.

WHEREFORE, the petition is **DENIED**. Accordingly, the Court of Appeal's Decision dated June 27, 2011 and Resolution dated January 9, 2012 in CA-G.R. CV. No. 94764 are hereby **AFFIRMED**.

SO ORDERED.


ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


ARTURO D. BRION
Associate Justice


MARIANO C. DEL CASTILLO
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice

²⁸ PD 892 was approved on February 16, 1976 and, under Section 3 thereof, took effect immediately.

ATTESTATION

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

**ANTONIO T. CARPIO**

Associate Justice
Chairperson, Second 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 Resolution 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

