

# Republic of the Philippines Supreme Court Manila

#### FIRST DIVISION

DEOGENES O. RODRIGUEZ,

G.R. No. 184589

Petitioner,

Present:

- versus -

SERENO, *CJ.*,
Chairperson,
LEONARDO-DE CASTRO,
BERSAMIN,
VILLARAMA, JR., and
REYES, *JJ.* 

HON. COURT OF APPEALS and PHILIPPINE CHINESE CHARITABLE ASSOCIATION, INC.,

Promulgated:

Respondents.

JUN 13 2013

DECISION

## LEONARDO-DE CASTRO, J.:

This Petition for *Certiorari* under Rule 65 of the Rules of Court assails the Decision<sup>1</sup> dated May 26, 2008 and Resolution<sup>2</sup> dated September 17, 2008 of the Court of Appeals in CA-G.R. SP No. 101789 for having been rendered with grave abuse of discretion amounting to lack of jurisdiction. Said Decision and Resolution reversed and set aside the Orders dated April 10, 2007<sup>3</sup> and November 22, 2007<sup>4</sup> of the Regional Trial Court (RTC), Branch 75, San Mateo, Rizal, in Land Registration (Reg.) Case No. N-5098 (LRC Rec. No. N-27619).

The facts are as follows.

On January 29, 1965, Purita Landicho (Landicho) filed before the Court of First Instance (CFI) of Rizal an Application for Registration of a

Rollo, pp. 57-70; penned by Associate Justice Agustin S. Dizon with Associate Justices Regalado E. Maambong and Celia C. Librea-Leagogo, concurring.

Id. at 71-73; penned by Associate Justice Regalado E. Maambong with Associate Justices Celia C. Librea-Leagogo and Sixto C. Marella, Jr., concurring.

d. at 114-117.

<sup>&</sup>lt;sup>4</sup> ld. at 118-119.

DECISION 2 G.R. No. 184589

piece of land, measuring 125 hectares, located in Barrio Patiis, San Mateo, Rizal (subject property), which was docketed as Land Reg. Case No. N-5098.<sup>5</sup> On November 16, 1965, the CFI rendered a Decision<sup>6</sup> evaluating the evidence presented by the parties as follows:

It has been established by the evidence adduced by [Landicho] that the parcel of land under consideration was formerly several smaller parcels owned and possessed by the spouses Felix San Pascual and Juanita Vertudes, Ignacio Santos and Socorro Santos, Caconto Cayetano and Verneta Bartolome, Gavino Espiritu and Asuncion Cruz, and Lucio Manuel and Justina Ramos, all of whom in January 1960, executed instruments of conditional sale of their respective parcels of land in favor of [Landicho], x x x, and on July 20, 1965 all of them executed jointly a final deed of absolute sale x x x which superseded the conditional sale. Gavino Espiritu, one of the vendors, fifty-five years old, farmer, resident of Barrio Geronimo, Montalban, Rizal, testified that he and his co-vendors have been in possession of the parcel of land since 1930 and that the possession of [Landicho], together with her predecessors in interest, has been open, peaceful, continuous and adverse against the whole world in the concept of an owner. It has also been established that the parcel of land is within the Alienable or Disposable Block-I of I.C. Project No. 26 of San Mateo, Rizal, x x x; that the parcel of land is classified as "montañoso" with an assessed value of \$\mathbb{P}\$12,560.00 under Tax Dec. No. 7081, x x x, taxes due to which for the current year had been paid, x x x; and that the same is not mortgaged or affected by any encumbrance.

The oppositor did not present testimonial evidence but presented the report of investigation of Land Investigator Pedro R. Feliciano dated August 23, 1965, x x x which stated substantially that during the investigation and ocular inspection it has been ascertained that no public land application is involved and that no reservation is affected thereby, and therefore, he believed that the opposition already filed can be withdrawn; x x x, 1<sup>st</sup> Indorsement dated August 24, 1965 of the District Land Officer, District No. 7, Bureau of Lands, to the Director of Lands, recommending that, in view of said report of investigation, the opposition be withdrawn; and x x x, office memorandum of the Chief, Records Division, Bureau of Land, addressed to the Chief, Legal Division, dated September 23, 1965, to the effect that according to the records, plan Psu-201023 is not covered by any kind of public land application or patent.

It is therefore clear from the evidence on record that the applicant is entitled to the benefits provided by Section 48, of C.A. No. 141, as amended.<sup>7</sup>

## In the end, the CFI decreed:

WHEREFORE, the Court hereby confirms the title of the applicant, Purita Landicho, of legal age, married to Teodorico Landicho, Filipino, resident of 74-A South 19<sup>th</sup> St., Quezon City, to the parcel of land under consideration and orders the registration thereof in her name and personal circumstances aforementioned.

<sup>5</sup> CA *rollo*, p. 316.

Id. at 77-78.

*Rollo*, pp. 76-79; penned by Judge Andres Reyes.

The opposition of the Director of Lands is hereby dismissed.

Once this decision becomes final and executory, let the order for the issuance of the decree issue.<sup>8</sup>

Upon finality of its Decision dated November 16, 1965, the CFI issued an Order<sup>9</sup> on December 22, 1965 directing the Commissioner of the Land Registration Commission (LRC) "to comply with Section 21 of Act No. 2347" on the issuance of a decree and original certificate of title (OCT).

SEC. 21. Of the decree. — Immediately after final decision by the court directing the registration of any property, the clerk shall send a certified copy of such decision to the Chief of the General Land Registration Office, who shall prepare the decree in accordance with section forty of Act Numbered Four hundred and ninety-six, and he shall forward a certified copy of said decree to the register of deeds of the province or city in which the property is situated. The register shall then comply with the duties assigned to him in section forty-one of Act Numbered Four hundred and ninety-six.

Sections 40 and 41 of Act No. 496, otherwise known as the Land Registration Act, referred to in the aforequoted provision, described in detail the steps in the issuance of a decree of registration and OCT, to wit:

SEC. 40. Every decree of registration shall bear the day of the year, hour, and minute of its entry, and shall be signed by the clerk. It shall state whether the owner is married or unmarried, and if married, the name of the husband or wife. If the owner is under disability, it shall state the nature of the disability, and if a minor shall state his age. It shall contain a description of the land as finally determined by the court, and shall set forth the estate of the owner and also, in such manner as to show their relative priority, all particular estates, mortgages, easements, liens, attachments, and other encumbrances, including rights of husband or wife, if any, to which the land or owner's estate is subject, and may contain any other matter properly to be determined in pursuance of this Act. The decree shall be stated in a convenient form for transcription upon the certificate of title hereinafter mentioned.

SEC. 41. Immediately after final decision by the court directing the registration of any property, the clerk shall send a certified copy of such decision to the Chief of the General Land Registration Office, who shall prepare the decree in accordance with Section forty of Act Numbered Four hundred and ninety[-]six, and he shall forward a certified copy of said decree to the register of deeds of the province or city in which the property is situated. The register of deeds shall transcribe the decree in a book to be called the "Registration Book," in which a leaf, or leaves, in consecutive order shall be devoted exclusively to each title. The entry made by the register of deeds in this book in each case shall be the original certificate of title, and shall be signed by him and sealed with the seal of the court. All certificates of title shall be numbered consecutively, beginning with number one. The register of deeds shall in each case make an exact duplicate of the original certificate, including the seal, but putting on it the words "Owner's duplicate certificate," and deliver the same to the owner, or to his attorney duly authorized. In case of a variance between the owner's duplicate certificate and the original certificate, the original shall prevail. The certified copy of the decree of registration shall be filed and numbered by the register of deeds with reference noted on it to the place of record of the original certificate of title: Provided, however, That when an application includes land lying in more than one province, or one province and the city of Manila, the court shall

<sup>8</sup> Id. at 78-79.

<sup>&</sup>lt;sup>9</sup> Id. at 80.

Act No. 2347 is entitled "An Act to provide for the reorganization of the Courts of First Instance and of the Court of Land Registration," Section 21 of which reads:

Eventually, on July 11, 1966, Jose D. Santos (Santos), Register of Deeds (ROD) for the Province of Rizal, issued Transfer Certificate of Title (TCT) No. 167681<sup>11</sup> in Landicho's name covering the subject property. Notably, ROD Santos issued to Landicho a TCT rather than an OCT for the subject property; and although TCT No. 167681 stated that it was issued pursuant to Decree No. 1480, no other detail regarding the decree and the original registration of the subject property was filled out.

The subject property was thereafter sold several times, and as the old TCTs of the vendors were cancelled, new TCTs were accordingly issued to the buyers. The sale of the subject property could be traced from Landicho to Blue Chips Projects, Inc. (BCPI), which acquired TCT No. 344936 in its own name on November 10, 1971; then to Winmar Poultry Farm, Inc. (WPFI), TCT No. 425582, November 5, 1973; and finally, to herein respondent Philippine Chinese Charitable Association, Inc. (PCCAI), TCT No. 482970, July 15, 1975. 12

Meanwhile, A. Doronila Resources Dev., Inc. (ADRDI)<sup>13</sup> instituted Civil Case No. 12044, entitled A. Doronila Resources Dev., Inc. v. Court of Appeals, which was still pending before the RTC, Branch 167, of Pasig City as of 2008. ADRDI asserted ownership over the subject property, which was a portion of a bigger tract of land measuring around 513 hectares, covered by TCT No. 42999, dated February 20, 1956, in the name of said corporation. This bigger tract of land was originally registered in the name of Meerkamp Co. under OCT No. 301, pursuant to Decree No. 1480, GLRO Record No. 2429, issued on November 22, 1906. ADRDI caused the annotation of a notice of lis pendens (as regards Civil Case No. 12044) on TCT No. 344936 of BCPI. Subsequently, based on the ruling of this Court in A. Doronila Resources Dev., Inc. v. Court of Appeals, 14 ADRDI was also able to have its notice of adverse claim over the subject property annotated on TCT Nos. 344936 and 425582 of BCPI and WPFI, respectively. ADRDI subsequently transferred the subject property to Amado Araneta (Araneta) to whom TCT No. 70589 was issued on March 25, 1983.

On November 14, 1996, Landicho executed a Deed of Absolute Sales (sic) over the subject property in favor of herein petitioner Deogenes O. Rodriguez (Rodriguez). Two years later, on June 1, 1998, Landicho died.

cause the part lying in each province or in the city of Manila to be described separately by metes and bounds in the decree of registration, and the clerk shall send to the register of deeds for each province, or the city of Manila, as the case may be, a copy of the decree containing a description of the land within that province or city, and the register of deeds shall register same and issue an owner's duplicate thereof, and thereafter for all matters pertaining to registration under this Act the portion in each province or city shall be treated as a separate parcel of land.

241 Phil. 28 (1988).

<sup>&</sup>lt;sup>11</sup> *Rollo*, pp. 81- 83.

<sup>&</sup>lt;sup>12</sup> Id. at 84-89.

Sometimes spelled as "A. Doronilla Dev., Inc."

DECISION 5 G.R. No. 184589

Seven years hence, or on May 18, 2005, Rodriguez filed an Omnibus Motion before the RTC, Branch 75, of San Mateo, Rizal, in Land Reg. Case No. N-5098. Rodriguez alleged therein that the Decision dated November 16, 1965 and Order dated December 22, 1965 of the CFI in Land Reg. Case No. N-5098 which confirmed Landicho's title over the subject property has not been executed. Rodriguez specifically stated that no decree of registration had been issued by the LRC Commissioner (now the Administrator of the Land Registration Authority [LRA]) and that no OCT had been ever issued by the ROD in Landicho's name. As Landicho's successor-in-interest to the subject property, Rodriguez prayed that:

- a. Upon the filing of the instant motion, the Clerk of Court of the Regional Trial Court of Pasig City be commanded to transmit to the Honorable Court the complete records and *expediente* of LRC No. x x x N-5098 (LRC Rec. No. N-27619);
- b. After hearing, the Honorable Court give due course to the instant motions and issue an Order as follows:
  - i. Directing the Administrator of the Land Registration [Authority] to issue the Decree of Registration, in accordance with the tenor of the Decision dated November 16, 1965 x x x and the Order dated December 22, 1965 x x x, in the name of the petitioner [Rodriguez];
  - ii. Thereafter, ordering the Register of Deeds for Marikina City, through the Administrator of the Land Registration Administration as having direct supervisory authority there-over, to issue the Original Certificate of Title containing the Technical Description as duly confirmed in the said Decision and Order x x x in the name of the herein petitioner [Rodriguez].

**PETITIONER** further prays for such other measures of relief as may be deemed just and equitable in the premises.<sup>15</sup>

In the course of the proceedings concerning the aforementioned Omnibus Motion, Rodriguez himself submitted as his Exhibit "GG" TCT No. 482970 of PCCAI but alleged that said certificate of title was fictitious. Thus, the RTC issued on November 3, 2006 a subpoena commanding PCCAI to appear at the hearing of Land Reg. Case No. N-5098 set on November 8, 2006 at 9:00 a.m.; to bring its TCT No. 482970 and Tax Declaration No. SM-02-0229; and to testify in connection therewith.

On November 17, 2006, PCCAI filed before the RTC a Verified Motion for Leave to Intervene in Land Reg. Case No. N-5098. PCCAI justified its intervention by arguing that it was an indispensable party in the

<sup>15</sup> *Rollo*, pp. 105-106.

case, having substantial legal interest therein as the registered owner of the subject property under TCT No. 482970. PCCAI likewise pointed out that Rodriguez himself submitted a copy of TCT No. 482970, only alleging that said certificate was fictitious. PCCAI averred that Rodriguez maliciously failed to allege in his Omnibus Motion that TCT No. 482970 remains valid and subsisting, there being no direct action or final court decree for its cancellation. Rodriguez's Omnibus Motion constituted a collateral attack on the title of PCCAI, which is not sanctioned by law and jurisprudence. Consequently, PCCAI asked the RTC to allow its intervention in Land Reg. Case No. N-5098 so it could protect its vested rights and interests over the subject property; to note and admit its Answer-in-Intervention; and to deny Rodriguez's Omnibus Motion for utter lack of merit.

The RTC favorably acted on Rodriguez's Omnibus Motion in an Order dated April 10, 2007, reasoning as follows:

Initially, the issue of jurisdiction arose particularly as to whether this Court may take cognizance of the instant case previously assigned to the CFI Pasig and, subsequently, rule upon the Omnibus Motion of [Rodriguez] despite the lapse of more than forty (40) years after the finality of the Decision of November 16, 1965.

Clearly, this Court has jurisdiction because, as earlier stated, the proceedings in this Court is merely a continuation of the land registration proceedings commenced in the CFI Pasig. More importantly, with the creation of this Court under the provisions of the Judiciary Reorganization Law, all cases involving properties within its territorial jurisdiction, specifically in San Mateo, Rizal, were transferred to this Court (Sec. 44, Batas Pambansa Blg. 129).

Consequently, there is no legal impediment for this Court to reiterate the Decision dated November 16, 1965 and the Order dated December 22, 1966 because the Rules on execution of Judgment pertaining to civil cases are not applicable to this kind of proceedings. A final and executory judgment in a land registration case, being merely declaratory in nature, does not prescribe. (Sta. Ana vs. Menla, 1 SCRA 1294; Heirs of Cristobal Marcos vs. de Banuvar, 25 SCRA 316; vda. De Barroga vs. Albano, 157 SCRA 131; Cacho v. Court of Appeals, 269 SCRA 159)

Secondly, a more important issue was put to fore—whether this Court may issue a writ of execution directing the Land Registration Authority (LRA) to issue a decree of registration over the subject property and the Register of Deeds of the Province of Rizal to issue an original certificate of title in the name of [Rodriguez].

Consistency dictates and being a mere continuation of the CFI Pasig proceedings, this Court can only reiterate the directives in the Order dated December 22, 196[5]. It cannot, however, issue, as prayed for, a writ of execution directing the issuance of a decree of registration and an original certificate of title in the name of [Rodriguez].

DECISION 7 G.R. No. 184589

Finally, during the proceedings in this case, this Court was made aware of the existence of claimants to the subject property. However, this Court cannot, at this time and in this proceedings, rule on the legality or illegality of these claims of ownership. It is best that these claims be ventilated in appropriate proceedings specifically sought to for this purpose. <sup>16</sup> (Underscoring deleted.)

#### The RTC decreed thus:

WHEREFORE, premises considered, the Order dated December 22, 1966 of the Court of First Instance of Pasig, Branch 6, is hereby REITERATED. The Land Registration Authority is directed to issue a decree of registration while the Register of Deeds of the Province of Rizal is likewise directed to issue an original certificate of title of the subject property, both in favor and in the name of applicant Purita Landicho, of legal age, married to Teodorico Landicho, Filipino and a resident of 74-A South 19<sup>th</sup> St., Quezon City, after compliance with issuance requirements and procedures.<sup>17</sup>

PCCAI filed a Motion for Reconsideration of the aforequoted Order of the RTC. The RTC resolved both the Motion for Leave to Intervene with the attached Answer-in-Intervention and Motion for Reconsideration of PCCAI in another Order dated November 22, 2007. The trial court held:

This Court after receiving evidence that a Decision was rendered in favor of the applicants spouses Landicho as owner in fee simple of the subject parcels of land, and that no title was issued pursuant to the said Decision which has become final and executory even after an Order to that effect was issued, merely reiterated the said Order for the implementation of the Decision dated November 16, 1966, signed by the Hon. Andres Reyes as Judge. In other words, Intervention would not be allowed after the Decision has become final and executory. The issue in the instant Petition is the issuance of a decree of registration and nothing more is being tried.

WHEREFORE, premises considered, the Motion For Leave To Intervene and the Motion for Reconsideration filed by the PCCAI are both **DENIED**. 18

The LRA, upon receipt of a copy of the RTC Order dated April 10, 2007, filed a Manifestation dated February 4, 2008 informing the trial court that it cannot comply with said Order since there were already two existing titles covering the subject property, *i.e.*, TCT No. 70589 of Araneta (traced back to OCT No. 301 of Meerkamp Co.) and TCT No. 482970 of PCCAI (traced back to Landicho's TCT No. 167681); and to issue a decree of registration and OCT in Landicho's name would only further aggravate the problem of double titling. The LRA also explained that the ROD issued a TCT, rather than an OCT, to Landicho for the subject property in 1966, following the Order dated July 7, 1966 of then LRC Commissioner Antonio

<sup>&</sup>lt;sup>16</sup> Id. at 115-117.

<sup>&</sup>lt;sup>17</sup> Id. at 117.

<sup>&</sup>lt;sup>18</sup> Id. at 119.

DECISION 8 G.R. No. 184589

H. Noblejas (Noblejas), who took cognizance of the fact that the subject property, as part of a bigger parcel of land, was already registered under OCT No. 301 in the name of Meerkamp Co., pursuant to Decree No. 1480 under GLRO Record No. 2429 issued in 1906. LRC Commissioner Noblejas additionally stated in his Order that:

The new transfer certificate of title to be issued by virtue hereof is deemed to have been derived from Transfer Certificate of Title No. N-1. (Under Decree No. 1480 dated November 22, 1906) which should be deemed cancelled with respect to the said property and that the issuance of the same has been effected without the presentation of the owners duplicate of subsisting certificate of title. (Emphasis deleted.)

At around the same time, PCCAI filed a Petition for Certiorari and Prohibition before the Court of Appeals, docketed as CA-G.R. SP No. 101789, assailing the Orders dated April 10, 2007 and November 22, 2007 of the RTC for having been issued without or in excess of jurisdiction and/or with grave abuse of discretion amounting to lack or excess of jurisdiction. PCCAI acknowledged that it is the ministerial duty of the RTC to issue a writ of execution for a final and executory decision/order; however, PCCAI argued that when subsequent facts and circumstances transpired which renders the execution of the final and executory decision/order unjust or inequitable, then the trial court should refrain from issuing a writ of execution. PCCAI likewise asserted that the RTC, as a land registration court, did not have the jurisdiction to resolve conflicting claims of ownership over the subject property. PCCAI lastly maintained that it was an indispensable party in Land Reg. Case No. N-5098 and that it should have been allowed by the RTC to intervene during the hearing of Rodriguez's Omnibus Motion for the execution of the Decision dated November 16, 1965 and Order dated December 22, 1965 of the CFI.

The Court of Appeals, in a Decision dated May 26, 2008, found merit in the Petition of PCCAI. The appellate court gave great weight and credence to the Manifestation dated February 8, 2008 of the LRA reporting the double titling and conflicting claims over the subject property. The Court of Appeals held that:

The Land Registration Authority, being the repository of land registration documents and the administrative agency with the necessary expertise concerning land registration matters, We cannot but agree with the above-quoted Manifestation. Moreover, from the above facts admitted by the parties and the LRA, it cannot be denied that there are conflicting claims on the ownership of the property which cannot be passed upon by the lower court as a land registration court for lack of jurisdiction. <sup>20</sup>

The Court of Appeals additionally opined that the intervention of PCCAI in Land Reg. Case No. N-5098 was proper given the circumstances:

<sup>&</sup>lt;sup>9</sup> CA *rollo*, p. 317.

Rollo, p. 68.

DECISION 9 G.R. No. 184589

Anent the issue of intervention, in the case of <u>Information</u> <u>Technology of the Philippines vs. Comelec</u>, G.R. 159139, August 22, 2006, the following doctrine was enunciated, to wit:

"The basic doctrinal rule is that final judgments may no longer be modified, except only to correct clerical errors or mistakes, or when the judgment is void, or if supervening events or circumstances that transpire after the finality of the decision render its execution unjust and inequitable. In the interest of substantial justice, this Court has allowed exceptions to this rule. A person who has a legal interest in the matter in litigation, or in the success of either of the parties, or an interest against both, or is so situated as to be adversely affected by a distribution or other disposition of property in the custody of the court or of an officer thereof, may, with leave of court, be allowed to intervene in the action."

We are not unmindful that [PCCAI] filed its Intervention when the decision of the case was already final and executory and during the execution stage of the case. However, the supervening event which is the issuance of a decree of registration which was already implemented and enforced upon [the] order of the Administrator of the LRC way back in July 11, 1966 when the LRC issued TCT No. 167861 in the name of Purita Landicho instead of an OCT makes the said intervention proper and well-taken.

From the foregoing, it appears absurd and senseless that an OCT be issued in favor of Mr. Rodriguez. Furthermore, it is in the paramount interest of justice that the assailed orders be not implemented, [PCCAI] being an indispensable party in the execution and/or implementation of the said orders. The non-execution of the said orders will prevent further disarray, confusion and complexity on the issue of who is or who should be the real owner of the subject land which is a matter that can be threshed out in a proper case for quieting of title between adverse claimants.<sup>21</sup>

Based on the foregoing, the appellate court adjudged:

All told, the assailed orders were issued with grave abuse of discretion amounting to lack or in excess of jurisdiction.

**WHEREFORE**, the assailed orders are **REVERSED AND SET ASIDE**. Accordingly, [Rodriguez, RTC Presiding Judge Josephine Zarate-Fernandez, the LRA Administrator, and Marikina City ROD] are enjoined to cease and desist from implementing the said orders pending the outcome of a proper case before an appropriate court where the issue of ownership of the subject land can be put to rest.<sup>22</sup>

Rodriguez moved for reconsideration of the foregoing Decision but was denied by the Court of Appeals in a Resolution dated September 17, 2008.

<sup>&</sup>lt;sup>21</sup> Id. at 68-69.

<sup>&</sup>lt;sup>22</sup> Id. at 69.

DECISION 10 G.R. No. 184589

Aggrieved, Rodriguez sought recourse from this Court through the present Petition, arguing that:

Ι

THE [COURT OF APPEALS] HAD ACTED WITHOUT JURISDICTION WHEN IT RENDERED AN OPEN-ENDED JUDGMENT.

A

THE [COURT OF APPEALS] HAD ABDICATED ITS JURISDICTION TO RESOLVE DISPUTES ON THE MERE MANIFESTATION OF THE LRA THAT THERE WERE ISSUES OF OWNERSHIP WHICH HAVE FIRST TO BE RESOLVED.

В

THE [COURT OF APPEALS] HAS RESOLVED AN ISSUE WHICH WAS IRRELEVANT AND IMMATERIAL OR HAD OTHERWISE BEEN RESOLVED.

II

THE [COURT OF APPEALS] HAD COMMITTED GRAVE ABUSE OF DISCRETION TANTAMOUNT TO LACK OF JURISDICTION IN RULING THAT THE [PCCAI] HAD LEGAL STANDING TO PREVENT OR SUSPEND THE OPERATION OF THE LAND REGISTRATION LAWS BY WAY OF THE ISSUANCE OF THE ORDER DIRECTING THE LAND REGISTRATION ADMINISTRATOR TO COMPLY WITH THE ORDER DATED DECEMBER 16, 1965.

A

THE [PCCAI] HAD NO RIGHT TO INTERVENE IN LRC NO. N-5098.

B.

THE [PCCAI] CANNOT CLAIM BUYER IN GOOD FAITH STATUS AS ITS TITLE WAS DEFECTIVE ON ITS FACE.

Ш

[RODRIGUEZ] IS ENTITLED TO THE CORRECTIVE AND PREROGATIVE WRIT OF CERTIORARI TO INSURE THAT THE LAND REGISTRATION LAWS ARE PROPERLY AND FULLY IMPLEMENTED.  $^{23}$ 

23

The instant Petition has no merit.

At the outset, the Court finds unmeritorious Rodriguez's claim that the Court of Appeals rendered an open-ended judgment. In the dispositive portion of its Decision dated May 26, 2008, the Court of Appeals clearly and categorically "REVERSED AND SET ASIDE" the Orders dated April 10, 2007 and November 22, 2007 of the RTC in Land Reg. Case No. N-5098. The cease and desist order of the appellate court in the second line of the same dispositive portion is therefore a superfluity. Obviously, by reversing and setting aside the foregoing Orders, there is nothing more to implement. The phrase "pending the outcome of a proper case before an appropriate court where the issue of ownership of the subject land can be put to rest[,]"<sup>24</sup> does not mean that the very same Orders which were reversed and set aside by the Court of Appeals could later on be revived or reinstated; rather it means that the remedies sought by Rodriguez can be litigated and granted in an appropriate proceeding by a court with proper jurisdiction.

To clarify matters, it must be stressed that the issue brought before the Court of Appeals did not involve the question of the ownership. The appellate court only concerned itself with the proper execution of the November 16, 1965 Decision in Land Reg. Case No. N-5098 but, due to the intricacy of the matter, was compelled to take notice of the controversy between Rodriguez and PCCAI, both of whom trace back their titles to Landicho. In view of these conflicting claims, Rodriguez now avers that because ROD Santos issued TCT No. 167681 for the subject property in Landicho's name, the November 16, 1965 Decision in Land Reg. Case No. N-5098 was not validly implemented since no OCT was issued. <sup>25</sup> Corollary

Section 30. When judgment becomes final; duty to cause issuance of decree. - The judgment rendered in a land registration proceedings becomes final upon the expiration of thirty days to be counted from the date of receipt of notice of the judgment. An appeal may be taken from the judgment of the court as in ordinary civil cases.

After judgment has become final and executory, it shall devolve upon the court to forthwith issue an order in accordance with Section 39 of this Decree to the Commissioner for the issuance of the decree of registration and the corresponding certificate of title in favor of the person adjudged entitled to registration.

SEC. 39. Preparation of Decree and Certificate of Title. – After the judgment directing the registration of title to land has become final, the court shall, within fifteen days from entry of judgment, issue an order directing the Commissioner to issue the corresponding decree of registration and certificate of title. The clerk of court shall send, within fifteen days from the entry of judgment, certified copies of the judgment and of the order of the court directing the Commissioner to issue the corresponding decree of registration and certificate of title, and a certificate stating that the decision has not been amended, reconsidered, nor appealed, and has become final. Thereupon, the Commissioner shall cause to be prepared the decree of registration as well as the original and duplicate of the corresponding original certificate of title. The original certificate of title shall be a true copy of the decree of registration. The

<sup>&</sup>lt;sup>24</sup> Id. at 69.

Presidential Decree No. 1529, otherwise known as the Property Registration Decree, took effect on June 11, 1978. By the time Rodriguez filed his Omnibus Motion before the RTC on May 18, 2005, praying for the execution of the CFI Decision dated November 16, 1965 and Order dated December 22, 1965 in Land Reg. Case No. N-5098, the Property Registration Decree was already in effect. Relevant provisions of said Decree read:

DECISION 12 G.R. No. 184589

to this, Rodriguez posits that PCCAI is not a buyer in good faith of the subject property and that the latter's TCT No. 482970 is spurious. PCCAI, on the other hand, insists that the issuance of TCT No. 167681 to Landicho, from which its own TCT No. 482970 may be traced back, was a valid execution of the said CFI decision.

The LRA, in its Manifestation dated February 4, 2008 filed before the RTC, explained that a TCT was issued to Landicho because the subject property, as part of a bigger parcel of land, was already covered by Decree No. 1480 and OCT No. 301 dated November 22, 1906 in the name of Meerkamp Co. In other words, Landicho's TCT No. 167681 is a derivative of Decree No. 1480 and OCT No. 301 of Meerkamp Co. which were cancelled to the extent of the subject property.

Complicating the matter further is the pendency of Civil Case No. 12044 in the RTC, Branch 167, Pasig City. Not only is PCCAI questioning the right of Rodriguez to the issuance of an OCT pursuant to the November 16, 1965 Decision and December 22, 1965 Order of the CFI in Land Reg. Case No. N-5098, it is also defending the validity of TCT No. 482970 (which is a derivative of TCT No. 167681 issued to Landicho) against Araneta who holds TCT No. 70589 (which is a derivative of Meerkamp Co.'s OCT No. 301). In view of the foregoing, issuing an OCT covering the subject property to Rodriguez would give rise to a third certificate of title over the same property. Such act would only cause more confusion and complication, rather than the preservation, of the Torrens system of registration.

The real purpose of the Torrens system is to quiet title to land and to stop forever any question as to its legality. Once a title is registered, the owner may rest secure, without the necessity of waiting in the portals of the court, or sitting on the "mirador su casa," to avoid the possibility of losing his land. A Torrens title is generally a conclusive evidence of the ownership of the land referred to therein. A strong presumption exists that Torrens titles are regularly issued and that they are valid. In this case, PCCAI is the registered owner of the subject property under TCT No. 482970, which could be traced back to TCT No. 16781 issued to Landicho. As between PCCAI and Rodriguez, the former is better entitled to the protection of the

decree of registration shall be signed by the Commissioner, entered and filed in the Land Registration Commission. The original of the original certificate of title shall also be signed by the Commissioner and shall be sent, together with the owner's duplicate certificate, to the Register of Deeds of the city or province where the property is situated for entry in his registration book.

SEC. 40. Entry of Original Certificate of Title. — Upon receipt by the Register of Deeds of the original and duplicate copies of the original certificate of title, the same shall be entered in his record book and shall be numbered, dated, signed and sealed by the Register of Deeds with the seal of his office. Said certificate of title shall take effect upon the date of entry thereof. The Register of Deeds shall forthwith send notice by mail to the registered owner that his owner's duplicate is ready for delivery to him upon payment of legal fees

Ching v. Court of Appeals, 260 Phil. 14, 23 (1990).

DECISION 13 G.R. No. 184589

Torrens system. PCCAI can rely on its TCT No. 482970 until the same has been annulled and/or cancelled.

Section 48 of Presidential Decree No. 1529, otherwise known as the Property Registration Decree, explicitly provides that "[a] certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law."

In Decaleng v. Bishop of the Missionary District of the Philippine Islands of Protestant Episcopal Church in the United States of America,<sup>27</sup> the Court declared that a Torrens title cannot be attacked collaterally, and the issue on its validity can be raised only in an action expressly instituted for that purpose. A collateral attack is made when, in another action to obtain a different relief, the certificate of title is assailed as an incident in said action.

Land Reg. Case No. N-5098 was an application for registration of the subject property instituted by Landicho before the CFI, which was granted by the CFI in its Decision dated November 16, 1965. Rodriguez, asserting that he was Landicho's lawful successor-in-interest, filed an Omnibus Motion before the RTC in Land Reg. Case No. N-5098 seeking the issuance of a decree of registration and an OCT in his name for the subject property pursuant to the said CFI judgment. Rodriguez acknowledged the existence of TCT No. 482970 of PCCAI for the same property, but he simply brushed aside said certificate of title for allegedly being spurious. Still, Rodriguez did not pray that TCT No. 482970 be declared void and/or cancelled; and even if he did, the RTC had no jurisdiction to grant such relief in a land registration case. Rodriguez's Omnibus Motion in Land Reg. Case No. N-5098, under the circumstances, is a collateral attack on said certificate, which is proscribed under Section 48 of the Property Registration Decree.

If Rodriguez wants to have a decree of registration and OCT issued in his (or even in Landicho's name) for the subject property, he should have directly challenged the validity of the extant TCT No. 482970 of PCCAI for the very same property in an action specifically instituted for such purpose (*i.e.*, petition for annulment and/or cancellation of title, petition for quieting of title) and pray the said certificate of title be annulled or canceled. The proper court in an appropriate action can try the factual and legal issues involving the alleged fatal defects in Landicho's TCT No. 167681 and/or its derivative TCTs, including TCT No. 482970 of PCCAI; the legal effects of Landicho's sale of the subject property to BCPI (the predecessor-in-interest of PCCAI) in 1971 and also to Rodriguez in 1996; and the good faith or bad faith of PCCAI, as well as Rodriguez, in purchasing the subject property. The resolution of these issues will ultimately be determinative of who between Rodriguez and PCCAI is the rightful owner of the subject property.

C.D. No. 171200 June 27 2012 675

27

G.R. No. 171209, June 27, 2012, 675 SCRA 145, 168.

Clearly, the Court of Appeals cannot be faulted for according weight and credence to the Manifestation dated February 4, 2008 of the LRA.

The LRA exists for the sole purpose of implementing and protecting the Torrens system of land titling and registration.<sup>28</sup> In particular, it is tasked with the following functions:

- (1) Issue decrees of registration pursuant to final judgments of the courts in land registration proceedings and cause the issuance by the Registrars of Land Titles and Deeds of the corresponding certificates of title;
- (2) Be the central repository of records relative to original registration of lands titled under the Torrens system, including subdivision and consolidation plans of titled lands; and
- (3) Extend assistance to courts in ordinary and cadastral land registration proceedings and to the other agencies of the government in the implementation of the land reform program.<sup>29</sup>

The duty of LRA officials to issue decrees of registration is ministerial in the sense that they act under the orders of the court and the decree must be in conformity with the decision of the court and with the data found in the record. They have no discretion in the matter. However, if they are in doubt upon any point in relation to the preparation and issuance of the decree, these officials ought to seek clarification from the court. They act, in this respect, as officials of the court and not as administrative officials, and their act is the act of the court. They are specifically called upon to "extend assistance to courts in ordinary and cadastral land registration proceedings."

In *Ramos v. Rodriguez*,<sup>31</sup> the LRA filed a motion for reconsideration of the decision and order of the land registration court respectively granting registration of a parcel of land and directing the issuance of a decree of registration for the same. According to the LRA, there was already an existing certificate of title for the property. The land registration court granted the motion for reconsideration of the LRA and set aside its earlier decision and order. On appeal, the Court declared that the land registration court did not commit grave abuse of discretion in reversing itself because it was merely following the recommendation of the LRA, which was then acting as an agent of the court.

In another case, Spouses Laburada v. Land Registration Authority,<sup>32</sup> the Court refused to issue a writ of mandamus compelling the LRA to issue

350 Phil. 779 (1998).

http://www.lra.gov.ph/index.php?page=about\_us\_mission.

Section 1 of Executive Order No. 649 dated February 9, 1981, in relation to Book IV, Title III, Chapter 9, Section 28 of Executive Order No. 292 dated July 25, 1987, otherwise known as the Administrative Code of 1987.

<sup>&</sup>lt;sup>30</sup> Atty. Gomez v. Court of Appeals, 250 Phil. 504, 511 (1988).

<sup>&</sup>lt;sup>31</sup> 314 Phil. 326 (1995).

DECISION 15 G.R. No. 184589

a decree of registration as ordered by a land registration court. The Court took into account the LRA report that the parcels of land were already registered and held:

That the LRA hesitates in issuing a decree of registration is understandable. Rather than a sign of negligence or nonfeasance in the performance of its duty, the LRA's reaction is reasonable, even imperative. Considering the probable duplication of titles over the same parcel of land, such issuance may contravene the policy and the purpose, and thereby destroy the integrity, of the Torrens system of registration.<sup>33</sup>

The LRA, in this case, filed the Manifestation dated February 4, 2008 to inform the RTC that the subject property is already covered by two TCTs, both "uncancelled and extant[;]" and for this reason, the LRA cannot comply with the RTC Order dated April 10, 2007, directing the issuance of a decree of registration and an OCT for the same property in Landicho's name, as it would "further aggravate the already existing problem of double titling[.]" In filing said Manifestation, the LRA was only faithfully pursuing its mandate to protect the Torrens system and performing its function of extending assistance to the RTC as regards Land Reg. Case No. N-5098. Contrary to Rodriguez's assertion, the Court of Appeals did not abdicate its jurisdiction when it granted the Petition for *Certiorari* and Prohibition of PCCAI largely based on the Manifestation of the LRA, since the LRA filed such a Manifestation as an officer of the court.

Finally, intervention is governed by Rule 19 of the Rules of Court, pertinent provisions of which read:

SECTION 1. Who may intervene. — A person who has a legal interest in the matter in litigation, or in the success of either of the parties, or an interest against both, or is so situated as to be adversely affected by a distribution or other disposition of property in the custody of the court or of an officer thereof may, with leave of court, be allowed to intervene in the action. The court shall consider whether or not the intervention will unduly delay or prejudice the adjudication of the rights of the original parties, and whether or not the intervenor's rights may be fully protected in a separate proceeding.

SECTION 2. *Time to intervene*. – The motion to intervene may be filed at any time before rendition of judgment by the trial court. A copy of the pleading-in-intervention shall be attached to the motion and served on the original parties.

The subject property is presently covered by TCT No. 482970 in the name of PCCAI. As the registered owner, PCCAI clearly has a legal interest in the subject property. The issuance of another certificate of title to Rodriguez will adversely affect PCCAI, constituting a cloud on its TCT No. 482970.

33

Although Rule 19 is explicit on the period when a motion to intervene may be filed, the Court allowed exceptions in several cases, *viz*:

This rule, however, is not inflexible. Interventions have been allowed even beyond the period prescribed in the Rule, when demanded by the higher interest of justice. Interventions have also been granted to afford indispensable parties, who have not been impleaded, the right to be heard even after a decision has been rendered by the trial court, when the petition for review of the judgment has already been submitted for decision before the Supreme Court, and even where the assailed order has already become final and executory. In *Lim v. Pacquing*, the motion for intervention filed by the Republic of the Philippines was allowed by this Court to avoid grave injustice and injury and to settle once and for all the substantive issues raised by the parties.

In fine, the allowance or disallowance of a motion for intervention rests on the sound discretion of the court after consideration of the appropriate circumstances. We stress again that Rule 19 of the Rules of Court is a rule of procedure whose object is to make the powers of the court fully and completely available for justice. Its purpose is not to hinder or delay, but to facilitate and promote the administration of justice. <sup>34</sup> (Citations omitted.)

The particular circumstances of this case similarly justify the relaxation of the rules of procedure on intervention. First, the interests of both PCCAI and Rodriguez in the subject property arose only after the CFI Decision dated November 16, 1965 in Land Reg. Case No. N-5098 became final and executory. PCCAI bought the subject property from WPFI on November 13, 1973 and was issued TCT No. 482970 for the same on July 15, 1975; while Rodriguez bought the subject property from Landicho on November 14, 1996. Second, as previously discussed herein, both PCCAI and Rodriguez trace their titles back to Landicho. Hence, the intervention of PCCAI could not unduly delay or prejudice the adjudication of the rights of Landicho, the original party in Land Reg. Case No. N-5098. Third, the latest proceedings in Land Reg. Case No. N-5098 involved Rodriguez's Omnibus Motion, filed before the RTC on May 18, 2005, in which he prayed for the execution of the November 16, 1965 Decision of the CFI. PCCAI moved to intervene in the case only to oppose Rodriguez's Omnibus Motion on the ground that the subject property is already registered in its name under TCT No. 482970, which originated from Landicho's TCT No. 167681. And fourth, after learning of Rodriguez's Omnibus Motion in Land Reg. Case No. N-5098 via the November 3, 2006 subpoena issued by the RTC, PCCAI was reasonably expected to oppose the same. Such action was the most opportune and expedient remedy available to PCCAI to prevent the RTC from ordering the issuance of a decree of registration and OCT in For this reason, the RTC should have allowed the Rodriguez's name. intervention of PCCAI.

Quinto v. Commission on Elections, G.R. No. 189698, February 22, 2010, 613 SCRA 385, 401-

ACCORDINGLY, the instant Petition is DISMISSED. The Decision dated May 26, 2008 of the Court of Appeals in CA-G.R. SP No. 101789, reversing and setting aside the Orders dated April 10, 2007 and November 22, 2007 of the Regional Trial Court, Branch 75 of San Mateo, Rizal in Land Reg. Case No. N-5098, is AFFIRMED with the MODIFICATION deleting the second sentence of the dispositive portion for being a superfluity.

Costs against petitioner.

SO ORDERED.

Gunila herardo de Castro TERESITA J. LEONARDO-DE CASTRO

Associate Justice

WE CONCUR:

MARIA LOURDES P. A. SERENO

Chief Justice Chairperson

Associate Justice

MARTIN S. VILLARAMA, JR

Associate Justice

BIENVENIDO L. REYES

Associate Justice

## **CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, 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