



**Republic of the Philippines
Supreme Court
Manila**

FIRST DIVISION

**IMELDA, LEONARDO, FIDELINO,
AZUCENA, JOSEFINA, ANITA and
SISA, all surnamed SYJUCO,**
Petitioners,

REPUBLIC OF THE PHILIPPINES,
Petitioner-Intervenor,

- versus -

G.R. No. 148748

Present:

SERENO, *CJ.*,
Chairperson,
LEONARDO-DE CASTRO,
BERSAMIN,
PEREZ, and
PERLAS-BERNABE, *JJ.*

**FELISA D. BONIFACIO and VSD
REALTY & DEVELOPMENT
CORPORATION,**
Respondents.

Promulgated:

JAN 14 2015

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DECISION

LEONARDO-DE CASTRO, J.:

For review on *certiorari* under Rule 45 of the Rules of Court is the Decision¹ dated February 23, 2001 and Resolution² dated June 26, 2001 of the Court Appeals in CA-G.R. CV. No. 57777, which affirmed *in toto* the Decision³ dated January 9, 1998 of the Regional Trial Court (RTC), Branch 126 of Caloocan City in Civil Case No. C-366.

The present controversy involves a parcel of land, measuring around 2,835 square meters, which originally formed part of a wider tract of land, dubbed as the Maysilo Estate (subject land).

The factual antecedents, as culled from the records, are as follows:

Petitioners Imelda, Leonardo, Fidelino, Azucena, Anita, and Sisa, all surnamed Syjuco (collectively referred to as petitioners) are the registered co-owners of the subject land, located in the then Barrio of Balintawak, Municipality of Caloocan, Province of Rizal, under Transfer Certificate of

¹ *Rollo*, pp. 27-34; penned by Associate Justice Perlita J. Tria Tirona with Associate Justices Eugenio S. Labitoria and Elloy R. Bello, Jr., concurring.

² *Id.* at 36.

³ *Records*, pp. 435-442.



Title (TCT) No. T-108530⁴ issued by the Register of Deeds of Caloocan City on March 26, 1984. The subject land is particularly described under petitioners' certificate of title as follows:

It is hereby certified that certain land situated in the Caloocan, Metro Manila, Philippines, bound and described as follows:

Un terreno (Lote No. 3-B del plano de subdivision Psd-706, parte del Lote No. 23-A, plano original Psu-2345 de la Hacienda de Maysilo), situado en el Barrio de Balintawak, Municipio de Caloocan, Provincia de Rizal. Linda por el NE. con el Lote No. 3-D del plano de subdivision; por el SE., con el Lote No. 3-C del plano de subdivision; por el SO. con el Lote No. 7; y por el No. con el Lote No. 3-A del plano de subdivision. x x x midiendo una extension superficial de DOS MIL OCHOCIENTOS TREINTA Y CINCO METROS CUADRADOS CON TREINTA DECIMETROS CUADRADOS (2, 835), mas o menos. x x x la fecha de la medicion original 8 al 27 de Septiembre, 4 al 21 de Octubre y 17-18 de Noviembre de 1911 y la de la subdivision, 29 de Diciembre de 1924. (Consta la descripcion decinica en el Certificado de Transferencia de Titulo No. 10301)

x x x x

is registered in accordance with the provisions of the Land Registration Act in the name of

IMELDA G. SYJUCO; LEONARDO G. SYJUCO; FIDELINO G. SYJUCO; AZUCENA G. SYJUCO; JOSEFINA G. SYJUCO; ANITA G. SYJUCO; SISA G. SYJUCO, all of legal age, single, Filipinos, - -

as owner thereof in fee simple, subject to such of the encumbrances mentioned in Section 39 of said Act as may be subsisting, and to the provisions of Sec. 4, Rule 74 of the Rules of Court with respect to the inheritance left by the deceased Monica Galauran and Mariano Mesina. (From T.C.T. No. 12370)

Petitioners have been in open, continuous, and uninterrupted possession of the subject land, by themselves or through their predecessors-in-interest, since 1926. Petitioners traced back their title over the subject land to TCT No. 10301 issued on February 26, 1926 to Monica Jacinto Galauran. Thereafter, TCT No. 10301 was replaced by TCT No. 8685 under the names of Avelina Baello, Felisa Baello, Dolores Baello, Eduardo Mesina, and Fausto Galauran (Avelina Baello, *et al.*). TCT No. 8685 was then replaced by TCT No. 12370 under the names of the brothers Martin V. Syjucos (Martin) and Manuel V. Syjucos (Manuel) pursuant to a Deed of Sale of Real Estate⁵ dated February 7, 1949 executed by Avelina Baello, *et al.* in favor of the siblings Martin and Manuel. TCT No. 12370 was, in turn,

⁴ Id. at 200-201; Exhibit A.

⁵ Id. at 207-210; Exhibit H (with submarkings).

replaced by TCT No. 4856⁶ issued on July 1, 1964 in Martin’s name alone in accordance with a Partition Agreement⁷ executed by the brothers on June 16, 1964. Upon Martin’s death, petitioners inherited the subject land, and following the extrajudicial partition they executed on June 27, 1976, they registered said land in their names, as co-owners, under TCT No. T-108530 issued on March 26, 1984. Petitioners and their predecessors-in-interest have been paying the real property taxes over the subject land since 1949.⁸

Among the annotations on TCT No. T-108530 are two encumbrances constituted by petitioners and/or their predecessors-in-interest on the subject land, particularly: (1) a lease agreement dated September 24, 1963, in favor of Manufacturer’s Bank and Trust Company (Manufacturer’s Bank), over a portion of the subject land, with the condition that the buildings which the lessee had constructed thereon shall become the property of the lessor/s after the expiration of the lease agreement; and (2) another lease agreement dated December 20, 1971, in favor of a certain Chan Heng, over the remaining portion of the subject land.⁹

Sometime in 1994, however, petitioners learned that a broker named Exequiel Fajardo, through a Letter¹⁰ dated March 9, 1994, offered for sale the subject land along with the improvements thereon to a certain Luis Ong, giving the following description of the property and terms of the offer:

AREA: 2,835.30 square meters
Lot No. 23-A-4-B-2A-3B, PSD 706, TCT-265778,
Register of Deeds, Kalookan City

Location: Kalookan City (beside LRT Station)

Owner: Felisa D. Bonifacio

The terms of this offer are as follows:

Price: ₱35,000.00 per square meter

Payment Terms: 50% downpayment;
Balance subject to negotiation

Petitioners found out that the purported owner of the subject land, respondent Felisa D. Bonifacio (Bonifacio), was the sub-lessee of Kalayaan Development Corporation, which, in turn, was the sub-lessee of Manufacturer’s Bank, which was the direct lessee of petitioners. Petitioners also learned that respondent Bonifacio was able to register the subject land in her name under TCT No. 265778, which was issued on March 29, 1993 by the Register of Deeds of Caloocan City. Respondent Bonifacio’s certificate of title described the subject land as follows:

⁶ Id. at 205-206; Exhibit G (with submarkings).
⁷ Id. at 211-213; Exhibit I (with submarkings).
⁸ Id. at 202-204, 214-223; Exhibits D, E, F, and J (with submarkings).
⁹ Id. at 200-201; Exhibit A.
¹⁰ Id. at 224; Exhibit K.

It is hereby certified that certain land situated in the Caloocan City, Philippines, bounded and described as follows:

A parcel of land (Lot 23-A-4-B-2-A-3-B of the subd. plan, Psd-706, L.R.C. Rec. No.), situated in Balintawak, Caloocan Rizal, Bounded of the E., along line 1-2 by Lot 23-A-4-B-2-A-3-D, on the SE., along line 2-3 by lot 23-A-4-B-2-A-3-C; both of the subd. plan on the SW., along line 3-4 by lot 23-A-4-B-2-A-6; and on the NW., along line 4-1 by Lot 23-A-4-B-2-A-3-A of the subd. plan. Beginning at a point marked "1" on plan, being N. 71 deg. 17'E., 1,285.85 m. from BLLN No. 1, Caloocan thence; S. 01 deg. 46'W., 27.70 m. to point 2; S 64 deg. 30'W., 105.15 m. to point 3; N 23 deg. 12' W., 26.39 m. to point 4; N. 65 deg. 22'E., 116.78 m. to pt. of beginning, containing an area of TWO THOUSAND EIGHT HUNDRED THIRTY FIVE SQ. METERS AND THIRTY SQ. DECIMETERS (2,835.30). All pts. referred to are indicated on the plan and are marked on the ground by old pts. Bearings true; date of original survey, Date of subd. survey, Dec. 29, 1922,

is registered in accordance with the provisions of the Property Registration Decree in the name of

FELISA D. BONIFACIO, of legal age, Filipino, widow, -

as owner thereof in fee simple, subject to such of the encumbrances mentioned in Section 44 of said Decree as may be subsisting[.] x x x.¹¹

Respondent Bonifacio's TCT No. 265778 was issued pursuant to an Order¹² dated October 8, 1992 of the RTC of Caloocan City, Branch 125, in L.R.C. Case No. C-3288, entitled *In the Matter of Petition for Authority to Segregate an Area of 5,680.1 Square Meters from Lot 23-A-4-B-2-A-3-B, PSD-706 (PSU-2345) of Maysilo Estate and Issuance of Separate Certificate of Title in the Name of Felisa D. Bonifacio*. RTC-Branch 125 granted respondent Bonifacio's petition for segregation because:

From the evidence presented, the Court finds that in Case No. 4557 for Petition for Substitution of Names, in the then Court of First Instance of Rizal, Branch 1, the then Presiding Judge Cecilia Muñoz Palma, issued an Order dated May 25, 1962 (EXHIBIT "N") substituting Maria de la Concepcion Vidal as one of the registered owners of several parcels of land forming the Maysilo Estate and covered by, among others, Original Certificate of Title No. 994 of the Register of Deeds of Rizal with among others Eleuteria Rivera Bonifacio to the extent of 1/6 of 1-189/1000 per cent of the entire Maysilo Estate. On January 29, 1991, Eleuteria Rivera Bonifacio executed in favor of Felisa D. Bonifacio, herein petitioner, a Deed of Assignment (EXHIBIT "M") assigning all her rights and interests over Lot 23-A-4-B-2-A-3-A, Psd-706 and Lot 23-A-4-B-2-A-3-B, Psd-706, both lots being covered by O.C.T. 994 of the Register of Deeds of

¹¹ Id. at 21; Exhibits C and 1.

¹² Id. at 19-20; Exhibits B and 2.

Rizal. That even prior to the execution of the Deed of Assignment but while negotiations with Eleuteria Rivera Bonifacio were going on, petitioner already requested the Lands Management Sector, Department of Environment and Natural Resources, National Capital Region, to prepare and issue the Technical Descriptions of the two lots subject of this petition. As requested by petitioner, Elpidio T. de Lara, Chief, Technical Services Section, Lands Management Sector, DENR-NCR, issued on June 20, 1990, two technical descriptions (EXHIBITS “J” and “K”) covering the two lots. After the issuance of the technical descriptions, the petitioner requested Geodetic Engineer Jose R. Rodriguez to prepare a sketch plan of the two lots subject of this petition. As requested, Engr. Rodriguez prepared a sketch plan (EXHIBIT “L”) based from Exhibits “J” and “K” which was submitted to the Lands Management Services, formerly Bureau of Lands, for verification and checking. That Mr. Benjamin V. Roque, Chief, Topographic and Special Map Section, Land Management Services, formerly Bureau of Lands, certified on July 31, 1992 that the sketch plan (EXHIBIT “L”) is a true and correct plan of Lots 23-A-4-B-2-A-3-A and 23-A-4-B-2-A-3-B, both on Psd-[706]. (Emphasis supplied.)

Hence, RTC-Branch 125 decreed in the same Order:

WHEREFORE, in view of all the foregoing, the Court hereby GRANTS the petition and orders the segregation of Lots 23-A-4-B-2-A-3-A and 23-A-4-B-2-A-3-B both on Psd-[706] from Original Certificate of Title No. 994 of the Register of Deeds of Rizal in favor of the herein petitioner.

Upon the finality of this order and the payment of the prescribed fees if any and presentation of the clearances of said lots, **the Register of Deeds of Caloocan City is ordered to issue a new transfer certificate of title in the name of herein petitioner Felisa D. Bonifacio over Lots 23-A-4-B-2-A-3-A and 23-A-4-B-2-A-3-B both on Psd-[706] of O.C.T. 994 of the Register of Deeds of Rizal.**¹³

For unexplained reasons, the Register of Deeds of Caloocan City issued TCT No. 265778 to respondent Bonifacio on March 29, 1993 even before RTC-Branch 125 declared its Order dated October 8, 1992, granting respondent Bonifacio’s petition for segregation, final and executory on April 6, 1993.¹⁴

***Civil Case No. C-366 before
RTC-Branch 126***

To protect their rights and interest over the subject land, petitioners lodged a Petition¹⁵ on July 28, 1994, docketed as Civil Case No. C-366 before RTC-Branch 126, Kalookan City, praying for the declaration of nullity and cancellation of respondent Bonifacio’s TCT No. 265778 over the subject land in view of petitioners’ subsisting TCT No. T-108530 over the very same property. In an Order¹⁶ dated July 28, 1994, RTC-Branch 126

¹³ Id. at 20.

¹⁴ Id. at 229; Exhibit O, Certificate of Finality.

¹⁵ Id. at 1-5.

¹⁶ Id. at 8-9.

deemed Civil Case No. C-366 as a special civil action for quieting of title and not an ordinary civil action for recovery of ownership of land.

Subsequently, petitioners discovered that respondent Bonifacio sold the subject land in favor of respondent VSD Realty & Development Corporation (VSD Realty), and that TCT No. 265778 in the name of respondent Bonifacio had already been cancelled and replaced by TCT No. 285313¹⁷ in the name of respondent VSD Realty on September 12, 1994. As a result, petitioners filed on April 25, 1995 an Amended Petition,¹⁸ impleading respondent VSD Realty in Civil Case No. C-366.

Petitioners contended before RTC-Branch 126 that although TCT No. T-108530 of petitioners, on one hand, and TCT No. 265778 of respondent Bonifacio and TCT No. 285313 of respondent VSD Realty, on the other hand, contained different technical descriptions, said certificates of title actually pertained to one and the same property. According to petitioners, respondents' certificates of title over the subject land could have only been obtained fraudulently given that:

- a) No subsequent survey of the Lot could have been obtained, approved by the Director of Lands, and presented by the respondent as there exists an original isolated survey thereto for which Transfer Certificate of Title No. 10301 covering the said land was issued as early as 26 February 1926 in the name of Monica Jacinto Galauran, married to Mariano Mesina.
- b) TCT No. 265778 was issued in the name of the respondent Felisa Bonifacio on [29] March 1993 before the issuance on 6 April 1993 by the Branch Clerk of Court (RTC Branch 125 in L.R.C. No. C-3288) of a Certificate of Finality of the aforesaid Order dated 8 October 1992.
- c) TCT No. 265778 was issued to Felisa Bonifacio on 29 March 1993 without the Register of Deeds of Kalookan City requiring the presentation of the owner's duplicate copy of O.C.T. No. 994.¹⁹

Respondent Bonifacio filed her Answer with Compulsory Counterclaim²⁰ on October 11, 1994. She denied knowledge of petitioners' TCT No. T-108530 and maintained that the technical description of the land covered by petitioners' TCT No. T-108530 is different from that in her TCT No. 265778. Respondent Bonifacio also averred that the technical description of the land covered by her TCT No. 265778 had been verified and approved by the Land Management Services of the Department of Environment and Natural Resources (DENR); that she acquired a valid title, TCT No. 265778, over the subject land pursuant to a court order in a land registration case; and that Civil Case No. C-366 was a collateral attack on the validity of her TCT No. 265778. Respondent VSD Realty, in its

¹⁷ Id. at 92-93; Exhibits Q and 5.

¹⁸ Id. at 80-86.

¹⁹ Id. at 84.

²⁰ Id. at 30-37.

Manifestation²¹ filed on June 31, 1995, adopted respondent Bonifacio's aforementioned Answer.

In the Pre-Trial Order²² dated February 23, 1995 of RTC-Branch 126, the parties agreed on the following stipulation of facts and issues:

STIPULATION OF FACTS:

1. That the petitioners are in possession of the lot in question; and
2. That the respondent is never in possession of the lot in question.

ISSUES:

1. Whether or not the Technical Description is one and the same as appearing on both titles; and
2. Whether or not the TCT No. 265778 of the respondent is a valid title.

Thereafter, trial ensued.

Petitioners presented several documentary exhibits²³ and the testimonies of Leonardo de Guzman Syjuco, one of the petitioners;²⁴ Renato T. Malindog, Land Registration Examiner of the Caloocan City Registry of

²¹ Id. at 99.

²² Id. at 73-75.

²³ Petitioners' documentary exhibits consisted of the following:

- 1) Certified True Copy of TCT No. T-108530 in petitioners' names (Records, p. 200; Exhibit A);
- 2) Order dated October 8, 1992 issued by RTC-Branch 125 in L.R.C. Case No. C-3288 (Id. at 19-20; Exhibits B and 2);
- 3) Photocopy of TCT No. 265778 in respondent Bonifacio's name (Id. at 21; Exhibits C and 1);
- 4) Certified True Copy of TCT No. 4856 in Martin's name (Id. at 205-206; Exhibit G);
- 5) Deed of [Sale of] Real Estate dated February 7, 1949 executed by Avelina Baello, *et al.* in favor of the siblings Martin and Manuel over a parcel of land covered by TCT No. 8685 (Id. at 207-210; Exhibit H);
- 6) Partition Agreement dated June 16, 1964 executed by the siblings Martin and Manuel over several properties, including the parcel of land covered by TCT No. 12370 (Id. at 211-213; Exhibit I);
- 7) Tax Declaration of Real Property Value (for land covered by TCT No. 4856) issued in Martin's name; Tax Declaration of Real Property Value (for building and other improvements) issued in the name of Manufacturer's Bank; and Tax Declaration of Real Property Value (for building and other improvements) issued in petitioner Imelda Syjuco's name (Id. at 202-204; Exhibits D, E, and F);
- 8) Various Real Property Tax Receipts dated from 1949 to 1995 (Id. at 214-223; Exhibit J);
- 9) Letter dated March 9, 1994 addressed to Luis Ong from Exequiel Fajardo (Id. at 224; Exhibit K);
- 10) Letter dated June 5, 1994 addressed to petitioners from their counsel (Id. at 225-226; Exhibit L);
- 11) Certified True Copy of the Technical Description of Lot 23-A-4-B-2-A-3-B, Psd-706, dated June 19, 1990, issued by LMS-DENR with the notation "[s]ubject for field survey" (Id. at 227; Exhibit M);
- 12) Certified True Copy of the Sketch Plan of Lot 23-A-4-B-2-A-3-A, Psd-706, and Lot 23-A-4-B-2-A-3-B, Psd-706, prepared for respondent Bonifacio (Id. at 228; Exhibit N);
- 13) Certificate of Finality dated April 6, 1993 declaring final and executory the Order dated October 8, 1992 of RTC-Branch 125 in L.R.C. Case No. C-3288 (Id. at 229; Exhibit O);
- 14) Certified True Copy of the Transcript of Stenographic Notes (TSN) of the hearing held on August 11, 1992 before RTC-Branch 125 in L.R.C. Case No. C-3288 (Id. at 230-253; Exhibit P); and
- 15) Photocopy of TCT No. 285313 in the name of VSD Realty (Id. at 92-93; Exhibits Q and 5);

²⁴

TSN, July 13, 1995.

Deeds;²⁵ and Engineer (Engr.) Elpidio T. de Lara (De Lara), Chief of Technical Services Section, Land Management Sector (LMS), DENR.²⁶ In its Order²⁷ dated November 29, 1995, RTC-Branch 126 admitted all the evidence presented by petitioners.

RTC-Branch 126 summarized petitioners' evidence as follows:

Leonardo Syjuco testified that he, together with the other petitioners in this case, inherited the subject property from their late father, Martin Syjuco, as shown in Entry No. 15033/T-No. 108530 annotated in TCT No. T-108530 (Exhibit "A"). His father and his uncle, Manuel Syjuco, in turn acquired the same from the Baello Family through a Deed of Real Estate (Exhibit "H"). Thereafter, Martin and Manuel executed a deed of partition (Exhibit "I") and their father was issued TCT No. 4856 (Exhibit "G") over the subject property. He has been paying the tax declaration on said property as evidenced by tax receipts (Exhibits "J" to "J-14"). They then leased the property to Manufacturers Bank who was the one who built the improvements on the same with stipulation that they will become the owners of these improvements after the expiration of the lease. They also subleased the property to Kalayaan Development Corporation (KDC, for short) and respondent Bonifacio is a lessee of KDC. One of their tenants informed him that their property was being offered for sale and so he instituted measures to protect their interest. He also discovered the existence of TCT No. T-265778 (Exhibit "C") in the name of respondent Bonifacio which he claims to be void as there can be no segregation of a property that was previously segregated. Witness admits having executed a lease in favor of a certain John Hay. He likewise admitted that the technical description appearing on the property lease to John Hay is not the same as the technical description appearing on Exh. "A." He claims that when they inherited the property, the technical description was already recorded thereon and it was the Registry of Deeds who placed the same on the property.

Renato T. Malindog, an examiner of the Register of Deeds of Kalookan City, testified that prior to the issuance of TCT No. 265778, derivative documents were filed before their office such as the Court Order dated October 8, 1992 in L.R.C. Case No. C-3288; the Certificate of Finality to said Order dated April 6, 1993; the subdivision plan to Lot 23-A-4-B-2-A-3-A and Lot 23-A-4-B-2-A-3-B also PSD-706 with Plan No. SK-007501-00024-D and annexed to said documents were the technical description for Lot 23-A-4-B-2-A-3-A, PSD-706 and the technical description for Lot 23-A-4-B-2-A-3-B also of PSD-706. Based on their record, documents were [received] regarding the order of finality but there was no showing that the tax clearance [was] registered in their office. Likewise, based on the document presented to them, the office who issued the technical description was from the Department of Environment and Natural Resources, Land Management Sector, and one Teodoro E. Mundo, Jr. is the Chief Survey Division of said office.

Elpidio T. de Lara, Chief of the Technical Services Section of the Department of Agrarian and Natural Resources, affirms to having certified

²⁵ TSN, September 8, 1995.

²⁶ TSN, September 29, 1995.

²⁷ Records, p. 260.

to the technical description [o]n July 9, 1990, referred to as Lot 23-A-4-B-2-A-3-B of subdivision plan PSD 706, based on a request by Felisa Bonifacio. He made the “Note: Subject for field survey” on Exhibit “M” so that the corresponding technical description be identified in the plan. Before issuing the technical description for the subject lot, he complied with the processes of having the technical description researched from their records. From their record, he had not issued a technical description for the subject lot and they have no record in their office of such. The corresponding B-37 technical description attached to the letter request came from the Land Management Bureau, which is the survey of the technical description. At the time the request was made until the time the certification was issued, he did not meet Felisa Bonifacio and said request was filed in their office and sent to the technical services department.²⁸

Respondents, in turn, presented documentary exhibits²⁹ and called to the witness stand Geodetic Engr. Evelyn G. Celzo (Celzo) of the Land Management Services, DENR;³⁰ Fernando D. Macaro (Macaro), Land Registration Examiner of the Caloocan City Register of Deeds;³¹ and Attorney (Atty.) Kaulayao V. Faylona, Director and Corporate Secretary of respondent VSD Realty.³²

RTC-Branch 126 summed-up respondents’ evidence as follows:

Evelyn G. Celzo, a geodetic engineer from the Land Management Services, testified that she was ordered to conduct a verification survey of Lot 23-A-4-B-2-A-3-B of PSD 706 by their Regional Technical Director, Roquesa de Castro. The survey was conducted on August 23, 1994 and its result [was] contained in a report dated April 17, 1995 (Exhibit “4”) which she prepared and submitted. She and her team personally went to the place and found out that two (2) stores, namely, Fairy Mart and Zenco Footstep were the present occupants of the lot. They likewise informed the adjoining lots that they were going to execute a verification survey. BPM 119 in Kalookan Cadastre was the reference point to determine whether the lot was really in that place. BPM 153, Kalookan Cadastre were used as common points to identify the technical description in Felisa’s lot. However, insofar as Exhibit “A” is concerned, the technical description of said property did not contain these common points. The DENR, NCR, has record of all technical descriptions approved and verified in said office. She points out that only one (1) technical description is allowed for a particular lot. In conducting the survey verification, the certified TCT was furnished to them by Felisa Bonifacio, together with the relocation survey filed at the Technical Reference

²⁸ Id. at 437-438.

²⁹ Respondents’ documentary exhibits consisted of the following:

- 1) The Survey Order dated August 22, 1994 issued by Acting Regional Technical Director Roquesa E. de Castro of the DENR, pursuant to respondent Bonifacio’s request (Records, p. 429; Exhibit 6);
- 2) Engr. Celzo’s report dated April 17, 1995 on the verification/relocation survey conducted on August 23, 1994 (Id. at 424; Exhibit 4); and
- 3) The Verification Plan of Lot 23-A-4-B-2-A-3-B, PSD 706, dated April 28, 1995, as surveyed for respondent Bonifacio, which established that a verification survey of respondent Bonifacio’s property (subsequently covered by TCT No. 265778) was officially conducted and approved (Id. at 429-A; Exhibit 7).

³⁰ TSN, December 1, 1995, February 2, 1996, and February 15, 1996.

³¹ TSN, September 9, 1997.

³² TSN, November 3, 1997.

Section. As to the adjoining lots, they secured the map of the Maysilo Estate Plan, under the relocation survey, they found out that the lot belonged to Felisa Bonifacio and the technical description is the same as the technical description submitted to her. Her verification survey was approved as reflected in the original plan from the Bureau of Land Verification Survey (Exhibit "7"). She also stated that before the survey, she conducted a research as to the origin of the technical description from her office and from the Bureau of Lands in Binondo but there were no available record. Neither was there any record about the original owner. When the certified copy of TCT No. 265778 was given to her, there were no annotations of adverse claims and so she did not anymore inquire from the Registry of Deeds whether there were new annotations made thereon.

Atty. Kaulayao V. Faylona, a director and Corporate Secretary of VSD Realty Corporation, testified that a real estate broker offered for sale to VSD two (2) lots along Avenida and occupied by Fairmart and Uniwide Sales, Inc. Among the documents shown to him by the seller were the Order of Judge Geronimo S. Mangay, of the Regional Trial Court of Kalookan City, Branch 125 (Exhibit "2"), as well as the Transcript of Case No. C-3288 (Exh. "3"). While he found the issuance of said Order by the Court regular, he also requested for a verification survey from the seller's group in order to make sure that the lot appearing in the technical description is also the lot actually being occupied by the buildings already mentioned thereon. The actual verification survey was conducted by the DENR through Engr. E. Celzo as evidenced by a report (Exh. "4") submitted for the purpose. Moreover, a verification plan (Exh. "7") approved by the DENR was likewise prepared in connection with the verification survey. He even personally went to the sala of Judge Mangay and verified from the then Deputy Branch Clerk of Court, the authenticity of the transcript that was given to him which the said Branch Clerk of Court confirmed as having been issued by said court. He did not however go over the petition filed by Felisa Bonifacio since what was important was that the title was issued in the land registration proceedings. He knew that Felisa was not in possession of the said property as it was being occupied by business establishments who were all not owners of the lot. As to payments of realty taxes due on the property, he claims that the title would not have been issued in the first place [and] the taxes [would] not [have] been previously paid. Insofar as VSD is concerned, the corporation was up-to-date in its payment of realty taxes over their property. He stresses that there is no other owner of the lot in question except Felisa Bonifacio because there was only one (1) lot with that technical description. The said approved technical description appearing on Felisa's lot was issued by the DENR which is actually the custodian of the technical descriptions of lands under the Land Registration System, which was confirmed by Mr. Elpidio T. de Lara, complainants' witness.³³

Macaro's testimony was not included in the foregoing précis of respondents' evidence by RTC-Branch 126. Macaro affirmed before RTC-Branch 126 the existence of respondent Bonifacio's TCT No. 265778. Macaro further testified that the standard operating procedure at the Caloocan City Registry of Deeds was to require the presentation of the certification stating that the court order directing issuance of the certificate of title had already become final and executory, before actually issuing said

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Records, pp. 438-439.

certificate of title; but he was unable to explain how in this case respondent Bonifacio's TCT No. 265778 was issued on March 29, 1993, before the Certificate of Finality of the Order dated October 8, 1992 in Civil Case No. C-3288 was issued by RTC-Branch 125 on April 6, 1993.

On January 9, 1998, RTC-Branch 126 rendered its Decision in Civil Case No. C-366, the dispositive portion of which reads:

WHEREFORE, in the light of the foregoing considerations, judgment is hereby rendered as follows:

- 1) Dismissing the petition of the petitioners;
- 2) Declaring that the technical description described in TCT No. 108530 by the petitioners is not the same as the technical description on [respondent] Bonifacio's title (TCT No. 265778, now TCT No. 285313);
- 3) Declaring that TCT No. 265778 is a valid title and considering that respondent VSD's title, T-285313, replaced the former title, VSD is hereby declared the owner of the land in question, that is, Lot 23-A-4-B-2-A-3-B of PSD 706;
- 4) For petitioners to pay attorney's fees and the costs of this suit.³⁴

Comparing the technical descriptions in petitioners' TCT No. T-108530 and respondents' TCT Nos. 265778 and 285313, RTC-Branch 126 noted the bare differences in the land areas and lot numbers contained therein, and concluded that said technical descriptions were not one and the same and that petitioners' TCT No. T-108530 did not pertain to the same parcel of land described in respondent Bonifacio's TCT No. 265778. RTC-Branch 126 also pointed out that petitioners' own witness, Engr. De Lara, testified that his office, Technical Services Section of the DENR, had not previously issued the technical description appearing on respondent Bonifacio's TCT No. 265778. Engr. De Lara's certification of the technical description of respondent Bonifacio's property was issued for the first time on July 9, 1990 only "after complying with all the legal processes necessary for the purpose, such as, among other things, conducting a research from their office records which showed that no such technical description on the subject property was previously issued and further stating that the B-37 technical description came from the Land Management Bureau which was the survey of the technical description."³⁵ RTC-Branch 126 further cited the testimony of Engr. Celzo of Land Management Services who conducted the verification survey during which it was revealed that "while common points

³⁴ Id. at 442.

³⁵ During his testimony on September 29, 1995 (TSN, p. 5), Engr. De Lara confirmed that he certified the technical description of respondent Bonifacio's Lot 23-A-4-B-2-A-3-B, PSD 706, on July 9, 1990. However, a close look at the Technical Description itself (Records, p. 227; Exhibit M) shows that it was certified as correct by one Engineer T. Calvelo for the Regional Technical Director on June 19, 1990 and by Engr. De Lara, Chief of the Technical Services Section, on June 21, 1990.

were used in identifying the technical description in TCT No. 265778, no such common points existed in the technical description appearing on petitioners['] title.” RTC-Branch 126 saw no reason to doubt the testimonies of Engrs. De Lara and Celzo consistent with the rule that government officials are presumed to perform their functions with regularity and strong evidence is necessary to rebut this presumption.

RTC-Branch 126 also categorically upheld the validity of respondent Bonifacio’s TCT No. 265778 as it was issued pursuant to the Order dated October 8, 1992 of the Caloocan City RTC-Branch 125. RTC-Branch 126 said that it could not question the order of a co-equal court and brushed aside petitioners’ claim of continuous possession of the subject property because such fact alone could not defeat respondents’ title over said property registered under the Torrens system. Absent any showing by clear and convincing proof that TCT No. 265778 of respondent Bonifacio, now TCT No. 285313 of respondent VSD Realty, was irregularly issued, RTC-Branch 126 accorded said titles the conclusive presumption of validity.

***CA-G.R. CV. No. 57777 before the
Court of Appeals***

Petitioners filed an appeal³⁶ before the Court of Appeals, docketed as CA-G.R. CV. No. 57777, with the following sole assignment of error:

THE LOWER COURT ERRED IN NOT ANNUL[L]ING
[RESPONDENTS’] TITLES WHICH OVERLAP THE EXISTING
TITLE IN THE NAMES OF THE PETITIONERS.³⁷

Petitioners asserted that the technical description of the land in their TCT No. T-108530 and that in respondents’ TCT Nos. 265778 and 285313 pertain to one and the same land. Petitioners argue that RTC-Branch 126 failed to appreciate the probative value of Engr. De Lara’s testimony on this particular issue. According to petitioners, Engr. De Lara’s certification dated July 9, 1990 on the correctness of the technical description of Lot 23-A-4-B-2-A-3-B, PSD 706, was based merely on the “B-37 survey” attached to respondent Bonifacio’s letter-request, hence, Engr. De Lara’s certification included a notation “[s]ubject for field survey” since he did not know the location of the land referred to by the technical description. The “B-37 survey” or the subdivision plan of PSD 706 was neither presented before RTC-Branch 126 in this case nor before RTC-Branch 125 in Civil Case No. C-3288 (respondent Bonifacio’s Petition for Segregation³⁸); thus, petitioners contended that there was no evidence as to “when the survey was made, under whose name the survey was made, and as to whether or not the said survey had the requisite government approval.”³⁹ Petitioners added that it was incorrect for RTC-Branch 126 to conclude that Engr. De Lara’s office

³⁶ CA *rollo*, pp. 54-69.

³⁷ Id. at 61.

³⁸ Id. at 78-82.

³⁹ Id. at 64.

had never issued any technical description pertaining to the subject land prior to July 9, 1990, and what Engr. De Lara actually said was that there was no record in his office of the technical description of the subject land as appearing in petitioners' TCT No. T-108530. Petitioners also maintained that the Survey Order dated August 22, 1994 and the Verification Plan of Lot 23-A-4-B-2-A-3-B, PSD 706, dated April 28, 1995 had no probative value as (1) said Survey Order was not authenticated; (2) said Survey Order was incomplete and uncertain as it did not specify the lot to be surveyed, its location, and its technical description; and (3) the verification survey was conducted only on August 23, 1994, after respondent Bonifacio's TCT No. 265778 was issued on March 29, 1993, consequently, said survey could not validate the irregular issuance of TCT No. 265778.

Additionally, petitioners alleged the following irregularities in the issuance of respondent Bonifacio's TCT No. 265778:

- (1) Civil Case No. C-3288, respondent Bonifacio's Petition for Segregation, is rooted in a Deed of Assignment of the subject land purportedly executed on January 29, 1991 by Eleuteria Rivera Bonifacio in favor of respondent Bonifacio, but said Deed merely copied the technical description of the land issued and certified on June 19, 1990 upon the request of respondent Bonifacio herself.
- (2) Respondent Bonifacio merely attached to her Petition for Segregation in Civil Case No. C-3288 a sketch plan of the subject land, not an approved survey or subdivision plan.
- (3) Respondent Bonifacio stated in her Petition for Segregation in Civil Case No. C-3288 that her and her transferor's possession of the subject land was "open, public, and notorious without any known claimants[.]"⁴⁰ but she later admitted that she had never been in possession of the said property.
- (4) Respondent Bonifacio attached to her Petition for Segregation a real property tax computation sheet for the subject property which was in the name of Martin V. Syjucó, who was petitioners' predecessor-in-interest.⁴¹
- (5) Respondent Bonifacio obtained TCT No. 265778 over the subject property on March 29, 1993 whereas the order authorizing the issuance of said certificate of title became final and executory only on April 6, 1993.
- (6) The Register of Deeds issued TCT No. 265778 to respondent Bonifacio without requiring the presentation of Original

⁴⁰ Id. at 80.

⁴¹ Id. at 82-A.

Certificate of Title (OCT) No. 994, which covered the vast land from whence respondent Bonifacio's property was purportedly segregated, and the requisite tax clearance in respondent Bonifacio's name.

Respondents asseverated that the technical descriptions contained in their TCT Nos. 265778 and 285313, on one hand, and in petitioners' TCT No. T-108530, on the other, do not pertain to the same land; that respondent Bonifacio's TCT No. 265778 was issued pursuant to a valid court order by RTC-Branch 125 in Civil Case No. C-3288; and that petitioners' Civil Case No. C-366 before RTC-Branch 126 was a collateral attack on the validity of respondents' titles.

In its Decision dated February 23, 2001, the Court of Appeals dismissed petitioners' appeal and affirmed *in toto* the Decision dated January 9, 1998 of RTC-Branch 126 in Civil Case No. C-366.

Aside from essentially adopting the ratiocination in the appealed judgment of RTC-Branch 126, the Court of Appeals also espoused respondents' argument that Civil Case No. C-366, instituted by petitioners before RTC-Branch 126, was a collateral attack on the validity of respondent Bonifacio's TCT No. 265778, in violation of Section 48 of Presidential Decree No. 1529, otherwise known as the Property Registration Decree. The appellate court, comparing the parties' respective certificates of title, further ruled that:

[A] careful scrutiny of TCT Nos. 108530 and 265778 revealed relevant similarities. Both TCTs originate from OCT No. 994 pursuant to Decree No. 36455, Record No. 4429. TCT No. 108530 was first originally registered on May 03, 1917, in contrast to Bonifacio's title (TCT No. 265778) which was [registered] in 1912.

In view of this, we quote the ruling enunciated by the court in *Metropolitan Waterworks Sewerage System v. Court of Appeals* and reiterated in the cases of *Heirs of Luis J. Gonzaga v. Court of Appeals* and *Mascariñas v. Court of Appeals*.

“Where two certificates (of title) purport to include the same land, the earlier in date prevails. x x x. In successive registrations, where more than one certificate is issued in respect of a particular estate or interest in land, the person claiming under the prior certificate is entitled to the estate or interest; and the person is deemed to hold under the prior certificate who is the holder of, or whose claim is derived directly or indirectly from the person who was the holder of the earliest certificate issued in respect thereof.”

Hence, in point of priority in issuance, the title of Bonifacio prevails over that of the [petitioners]. Since, the land in question has already been registered under OCT 994, in the year 1912, the subsequent

registration of the same land on May 03, 1917 is null and void.⁴²
(Citations omitted.)

The Court of Appeals lastly pointed out that petitioners' possession of the subject land cannot defeat respondent Bonifacio's title thereto:

While we recognize the fact that the [petitioners] have been in 44 years of continuous possession, still, we should not lose sight of the fact that [respondent] Bonifacio is an owner of an earlier issued title. The imprescriptibility of Bonifacio's title cannot be defeated by the [petitioners'] continuous possession of the questioned lot. To hold otherwise, the efficacy of the conclusiveness of the certificate of title, which the Torrens System seeks to insure, would be futile and nugatory.⁴³
(Citations omitted.)

The Court of Appeals concluded that since respondent Bonifacio is the owner of the subject land, validly registered in her name, she is within her rights in selling said property to respondent VSD Realty, making the latter's TCT No. 285313 also valid.

Hence, the present petition for review.

Petitioners reiterate their position that their TCT No. T-108530 and respondents' TCT Nos. 265778 and 285313 pertain to one and the same land, and that the latter titles have been fraudulently obtained. Petitioners also aver that their undisturbed possession of the subject property gives them a continuing right to seek the aid of a court to ascertain and determine the nature and effect of respondents' adverse claim on the subject land.

In addition, petitioners pray for this Court to take judicial notice of supervening events relative to the indiscriminate issuance or proliferation of fake titles derived from OCT No. 994 covering the Maysilo Estate. They point out that the Department of Justice (DOJ) and the Senate Committees on Justice and Human Rights, Urban Planning, and Housing and Resettlement, already conducted separate investigations of this serious land title anomaly and had submitted their respective reports on the matter. The DOJ Committee Report dated August 28, 1997 and Senate Committee Report No. 1031 dated May 25, 1998 validated OCT No. 994 registered on May 3, 1917; declared OCT No. 994 registered on April 19, 1917 as non-existent; and recommended the cancellation of all titles derived from OCT No. 994 registered on April 19, 1917. Petitioners, thus, argue that respondent Bonifacio's title, which originated from OCT No. 994 registered in 1912, is null and void as the only authentic OCT No. 994 is the one issued pursuant to Decree No. 36455 originally registered on May 3, 1917.

In their Comment, respondents stand by the propriety of the Decision dated February 23, 2001 of the Court of Appeals in CA-G.R. CV. No. 57777

⁴² *Rollo*, pp. 32-33.

⁴³ *Id.* at 33.

and the Decision dated January 9, 1998 of RTC-Branch 126 in Civil Case No. C-366. Respondents also exhort this Court not to take judicial notice of the DOJ and Senate committee reports because those are irrelevant to the present case as the true date of registration of OCT No. 994 has never been an issue herein. At any rate, respondents insinuate that there was a mistake in the indication in the title of respondent Bonifacio that it originated from OCT No. 994 registered in 1912, claiming that the same “must have been [caused by either] a clerical error or ... a mental lapse.”

RULING

The petition is meritorious.

***On the propriety of petitioners’
action to quiet title over the subject
land.***

The Court, at the outset, finds untenable the contention that the action instituted by petitioners is a prohibited collateral attack on the certificate of title of respondents over the subject land.

Section 48 of Presidential Decree No. 1529⁴⁴ states:

Sec. 48. *Certificate not subject to collateral attack.* - A certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or canceled except in a direct proceeding in accordance with law.

To determine whether an attack on a certificate of title is direct or indirect, the relevance of the object of the action instituted and the relief sought therein must be examined. The rule was explained in *Catores v. Afidchao*⁴⁵ as follows:

When is an action an attack on a title? It is when the object of the action or proceeding is to nullify the title, and thus challenge the judgment pursuant to which the title was decreed. **The attack is direct when the object of an action or proceeding is to annul or set aside such judgment, or enjoin its enforcement. On the other hand, the attack is indirect or collateral when, in an action to obtain a different relief, an attack on the judgment is nevertheless made as an incident thereof.** (Emphasis supplied, citation omitted.)

The instituted action in this case is clearly a direct attack on a certificate of title to real property.

In their complaint for quieting of title, petitioners specifically pray for the declaration of nullity and/or cancellation of respondents’ TCT Nos.

⁴⁴ The Property Registration Decree.

⁴⁵ 601 Phil. 638, 652 (2009).

265778 and 285313 over the subject land. The relief sought by petitioners is certainly feasible since the objective of an action to quiet title, as provided under Article 476 of the Civil Code of the Philippines, is precisely to quiet, remove, invalidate, annul, and/or nullify “a cloud on title to real property or any interest therein by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title.”

The Court also finds bereft of merit the contentions that petitioners’ action to quiet title had already prescribed and/or that the titles of respondents over the subject land have already become incontrovertible and indefeasible based on Section 32 of Presidential Decree No. 1529.

Section 32 of Presidential Decree No. 1529 states:

Section 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 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 added.)

The above-quoted rule has well-settled exceptions.

It is an established doctrine in land ownership disputes that the filing of an action to quiet title is imprescriptible if the disputed real property is in the possession of the plaintiff. One who is in actual possession of a piece of land claiming to be owner thereof may wait until his possession is disturbed or his title is attacked before taking steps to vindicate his right, the reason for the rule being that his undisturbed possession gives him a continuing right to seek the aid of a court of equity to ascertain and determine the nature of the

adverse claim of a third party and its effect on his own title, which right can be claimed only by one who is in possession.⁴⁶

In this case, petitioners have duly established during the trial that they and/or their predecessors-in-interest have been in uninterrupted possession of the subject land since 1926 and that it was only in 1994 when they found out that respondent Bonifacio was able to register the said property in her name in another title. It was also only in 1995 when petitioners learned that respondent Bonifacio was able to sell and transfer her title over the subject land in favor of respondent VSD Realty.

Moreover, the rule on the incontrovertibility or indefeasibility of title has no application in this case given the fact that the contending parties claim ownership over the subject land based on their respective certificates of title thereon which originated from different sources. Certainly, there cannot be two or even several certificates of title on the same parcel of real property because “a land registration court has no jurisdiction to order the registration of land already decreed in the name of another in an earlier land registration case” and “a second decree for the same land would be null and void, since the principle behind original registration is to register a parcel of land only once.”⁴⁷ The indefeasibility of a title under the Torrens system could be claimed only if a previous valid title to the same parcel of land does not exist. Where the issuance of the title was attended by fraud, the same cannot vest in the titled owner any valid legal title to the land covered by it; and the person in whose name the title was issued cannot transmit the same, for he has no true title thereto. This ruling is a mere affirmation of the recognized principle that a certificate is not conclusive evidence of title if it is shown that the same land had already been registered and that an earlier certificate for the same land is in existence.⁴⁸

Accordingly, petitioners’ filing of an action to quiet title over the subject land is in order.

On the propriety of remanding this case for further proceedings before the Court of Appeals.

In *VSD Realty & Development Corporation v. Uniwide Sales, Inc.*,⁴⁹ this Court remanded the case before the Court of Appeals, citing *Manotok Realty, Inc. v. CLT Realty Development Corporation*,⁵⁰ and held:

In the main, respondent Baello contends that the Court erred in not declaring petitioner VSD’s TCT No. T-285312 as null and void,

⁴⁶ *Faja v. Court of Appeals*, 166 Phil. 429, 438 (1977).

⁴⁷ *Laburada v. Land Registration Authority*, 350 Phil. 779, 790-791 (1998).

⁴⁸ *Register of Deeds of Cotabato v. Philippine National Bank*, 121 Phil. 49, 51-52 (1965), citing *C. N. Hodges v. Dy Buncio & Co., Inc.*, 116 Phil. 595, 601 (1962).

⁴⁹ G.R. No. 170677, July 31, 2013, 702 SCRA 597.

⁵⁰ 565 Phil. 59 (2007) and 601 Phil. 571 (2009).

considering that it is derived from Felisa Bonifacio's TCT No. 265777/T-1325, which, in turn, is derived from the false and fictitious OCT No. 994 dated April 19, 1917. The records of this case, however, show that Felisa Bonifacio's TCT No. 265777/T-1325 and VSD's TCT No. T-285312 are derived from the legitimate OCT No. 994 registered on May 3, 1917, which date has been held as the correct date of registration of the said OCT in *Manotok Realty, Inc. v. CLT Realty Development Corporation*. In her *Motion for Leave and Time to File Judicial Affidavit of Mr. Felino Cortez and Supplemental Motion for Reconsideration*, which the Court granted, respondent Baello contends that she has additional evidence showing that the copy of Felisa Bonifacio's TCT No. 265777/T-1325 that was presented to the Register of Deeds of Caloocan, for the purpose of the issuance of petitioner VSD's TCT No. T-285312, was tampered with to fraudulently reflect that it was derived from the legitimate and authentic OCT No. 994 dated May 3, 1917. It is alleged that the original microfilm copy retained by the LRA shows that Felisa Bonifacio's TCT No. 265777/T-1325 did not originate from the legitimate and authentic OCT No. 994 dated May 3, 1917, but was instead derived from OCT No. 994 dated April 19, 1912. Baello cited *Manotok Realty, Inc. v. CLT Realty Development Corporation*, which allowed the presentation of evidence before a Special Division of the Court of Appeals to ascertain which of the conflicting claims of title should prevail, even though the case had already been decided; and the additional evidence was presented in connection with a motion for reconsideration of this Court's decision.

The Court notes that in *Manotok Realty, Inc. v. CLT Realty Development Corporation*, the Court pronounced that there is only one OCT No. 994, which is correctly registered on May 3, 1917, and that any title that traces its source to OCT No. 994 dated April 17, 1917 is void, for such mother title is inexistent.

The Court recognizes the importance of protecting the country's Torrens system from fake land titles and deeds. Considering that there is an issue on the validity of the title of petitioner VSD, which title is alleged to be traceable to OCT No. 994 registered on April 19, 1917, which mother title was held to be inexistent in *Manotok Realty, Inc. v. CLT Realty Development Corporation*, in the interest of justice, and to safeguard the correct titling of properties, a remand is proper to determine which of the parties derived valid title from the legitimate OCT No. 994 registered on May 3, 1917. Since this Court is not a trier of facts and not capacitated to appreciate evidence of the first instance, the Court may remand this case to the Court of Appeals for further proceedings, as it has been similarly tasked in *Manotok Realty, Inc. v. CLT Realty Development Corporation* on these bases:

Under Section 6 of Rule 46, which is applicable to original cases for *certiorari*, the Court may, whenever necessary to resolve factual issues, delegate the reception of the evidence on such issues to any of its members or to an appropriate court, agency or office. The delegate need not be the body that rendered the assailed decision.

The Court of Appeals generally has the authority to review findings of fact. Its conclusions as to findings of fact are generally accorded great respect by this Court. It is a body that is fully capacitated and has a surfeit of experience in appreciating factual matters, including documentary evidence.

In fact, the Court had actually resorted to referring a factual matter pending before it to the Court of Appeals. In *Republic v. Court of Appeals*, this Court commissioned the former Thirteenth Division of the Court of Appeals to hear and receive evidence on the controversy, more particularly to determine “the actual area reclaimed by the Republic Real Estate Corporation, and the areas of the Cultural Center Complex which are ‘open spaces’ and/or ‘areas reserved for certain purposes,’ determining in the process the validity of such postulates and the respective measurements of the areas referred to.” The Court of Appeals therein received the evidence of the parties and rendered a “Commissioner’s Report” shortly thereafter. Thus, resort to the Court of Appeals is not a deviant procedure.

The provisions of Rule 32 should also be considered as governing the grant of authority to the Court of Appeals to receive evidence in the present case. Under Section 2, Rule 32 of the Rules of Court, a court may, *motu proprio*, direct a reference to a commissioner when a question of fact, other than upon the pleadings, arises upon motion or otherwise, in any stage of a case, or for carrying a judgment or order into effect. The order of reference can be limited exclusively to receive and report evidence only, and the commissioner may likewise rule upon the admissibility of evidence. The commissioner is likewise mandated to submit a report in writing to the court upon the matters submitted to him by the order of reference. In *Republic*, the commissioner’s report formed the basis of the final adjudication by the Court on the matter. The same result can obtain herein.”⁵¹ (Emphases added.)

The Court notes, however, that several matters have already transpired during the pendency of this case that bear considerable relation in the resolution of the main question of which of the respective titles of the parties over the subject land is valid.

Firstly, the Court observes that the certification as indicated in petitioners’ title, which the latter submitted during the trial, shows that it originated from OCT No. 994 registered on May 3, 1917, thus:

It is further certified that said land was originally registered on the **3rd day of May, in the year nineteen hundred and seventeen**, in the Registration Book of the Office of the Register of Deeds of Rizal, Volume

⁵¹ *VSD Realty & Development Corporation v. Uniwide Sales, Inc.*, supra note 49 at 610-613.

A-9, page 226, as Original Certificate of Title No. 994, pursuant to Decree No. 36455, issued in L.R.C. ____ Record No. 4429.

This certificate is a transfer from Transfer Certificate of Title No. 4856/T-25, which is cancelled by virtue hereof in so far as the above-described land is concerned.⁵² (Emphasis added.)

On the other hand, the title of respondent Bonifacio, the one presented during the trial, shows that it likewise originated from OCT No. 994, but such mother title states only the day and the year of its original registration as follows:

It is further certified that said land was originally registered on the **19th day of ____, in the year nineteen hundred and twelve**, in the Registration Book of the Office of the Register of Deeds of Manila, Volume ____, Page ____, as Original Certificate of Title No. 994, pursuant to Decree No. 36455 issued in L.R.C. ____, Record No. 4423, in the name of ____.

This certificate is a transfer from Original Certificate of Title No. 994, which is cancelled by virtue hereof in so far as the above-described land is concerned.⁵³ (Emphasis added.)

Curiously, the title of respondent VSD Realty is supposed to be a direct transfer from the title of respondent Bonifacio, yet, the certification as to the original registration of its mother title – OCT No. 994 – provides the registration date of **May 3, 1917**, thus:

IT IS FURTHER CERTIFIED that said land was originally registered on the **3rd day of May**, in the year **nineteen hundred and seventeen** in the Registration Book of the Office of the Register of Deeds of Rizal, Volume A-9-A, Page 226, as Original Certificate of Title No. 994, pursuant to Decree No. 36455 issued in L.R.C. ____ Record No. 4429 in the name of ____.

This certificate is a transfer from Transfer Certificate of Title No. 265778/T-1325 which is cancelled by virtue hereof in so far as the above-described land is concerned.

Entered at the City of Kalookan, Philippines, on the 12th day of September in the year nineteen hundred and ninety-four at 1:23 p.m.⁵⁴ (Emphases added.)

Furthermore, a certified true copy of respondent Bonifacio's title, which petitioners have obtained just prior to the filing of the Petition at bar and attached to their Reply dated December 12, 2001, now shows that the date of the original registration of respondent Bonifacio's mother title - OCT No. 994 - has changed from the 19th day of an unspecified month⁵⁵ in 1912 to

⁵² Records, p. 200.

⁵³ Id. at 21.

⁵⁴ Id. at 92.

⁵⁵ The space for the month was left blank.

May 3, 1917, and the place of registration from Manila to Rizal. Aside from these changes, the portions that were left blank in the earlier copy of respondent Bonifacio's title have already been filled-up in the latest copy of the same, thus:

IT IS FURTHER CERTIFIED that said land was originally registered on the 3rd day of May, in the year nineteen hundred and seventeen in the Registration Book of the Office of the Register of Deeds of Rizal, Volume A-9-A, Page 226, as **Original Certificate of Title No. 994**, pursuant to Decree No. 36455 issued in L.R.C. ____ Record No. 4429 in the name of ____.

This certificate is a transfer from Original Certificate of Title No. 994 which is cancelled by virtue hereof in so far as the above-described land is concerned.

Entered at Caloocan City,
Philippines, on the 29th day of March in the
year nineteen hundred and ninety-three at
3:20 a.m.⁵⁶ (Emphases added.)

Secondly, the Court notes that the Republic, represented by the Office of the Solicitor General (OSG), filed herein a Motion for Intervention with attached Petition-in-Intervention, pursuant to the recommendation in the Report dated May 25, 1998 of the Senate Committees on Justice, Human Rights, Housing, and Urban Planning and Resettlement, that the OSG be mandated "to intervene in land disputes before the court, on cases whether pertaining to government or private lands as the OSG may determine, involving fake titles, duplication of titles or similar anomalies, to guide the court on the position of the government and to involve the concerned government entities particularly the Land Registration Authority in a concerted effort to protect the integrity of the Torrens system of land title registration."⁵⁷ The motion was granted and the Petition of the Republic was admitted in the Court's Resolution⁵⁸ dated December 8, 2004.

The OSG manifests, among others, that petitioners' TCT No. T-108530, in reliance to the conclusions of the DOJ and Senate committees, is the valid certificate of title covering the subject land as it could be traced back to the authentic OCT No. 994 registered on May 3, 1917; conversely, respondents' TCT Nos. 265778 and 285313 are null and void as these originated from the spurious OCT No. 994 registered in 1912.

Respondents filed their Comment [to the Republic's intervention]⁵⁹ on June 1, 2005. Interestingly, respondents now contend that their TCT Nos. 265778 and 285313 are derivatives of **OCT No. 994 registered on April 19, 1917**, hence, they capitalize on the rulings of this Court in

⁵⁶ *Rollo*, p. 156.

⁵⁷ *Id.* at 354-403.

⁵⁸ *Id.* at 404.

⁵⁹ *Id.* at 360-378.

*Metropolitan Waterworks and Sewerage Systems (MWSS) v. Court of Appeals*⁶⁰ and *Heirs of Luis J. Gonzaga v. Court of Appeals*⁶¹ that those titles derived from OCT No. 994 registered on April 19, 1917 prevail over those titles derived from OCT No. 994 registered on May 3, 1917 considering the priority of the date of registration.

Thirdly, the Court reiterates that the validity of OCT No. 994 registered on May 3, 1917, and the non-existence of a purported OCT No. 994 registered on April 19, 1917, have already been exhaustively passed upon and settled with finality in the *Resolution[s]* dated December 14, 2007 and March 31, 2009 in *Manotok Realty, Inc. v. CLT Realty Development Corporation*.⁶²

In *Angeles v. The Secretary of Justice*,⁶³ this Court reiterated its pronouncements in *Manotok Realty, Inc. v. CLT Realty Development Corporation*⁶⁴ that the true and valid OCT No. 994 was registered on May 3, 1917, not on April 19, 1917, and that any title that traces its source to the latter date is deemed void and inexistent. **The Court was also explicit that the cases of *MWSS v. Court of Appeals* and *Gonzaga v. Court of Appeals* had already been rendered *functus officio*, thus, these cases can no longer be cited as precedents.** The Court expounded as follows:

It is important to emphasize at this point that in the recent case resolved by this Court *En Banc* in 2007, entitled *Manotok Realty, Inc. v. CLT Realty Development Corporation* (the 2007 *Manotok* case), as well as the succeeding resolution in the same case dated March 31, 2009 (the 2009 *Manotok* case), the controversy surrounding the Maysilo Estate and the question of the existence of another OCT No. 994 have been finally laid to rest. All other cases involving said estate and OCT No. 994, such as the case at bar, are bound by the findings and conclusions set forth in said resolutions.

As stated earlier, petitioner anchors her claim on previous cases decided by this Court which have held that there are two existing OCT No. 994, dated differently, and the one from which she and her co-plaintiffs (in Civil Case No. C-424) derived their rights was dated earlier, hence, was the superior title. Regrettably, petitioner's claim no longer has a leg to stand on. As we held in the 2007 *Manotok* case:

The determinative test to resolve whether the prior decision of this Court should be affirmed or set aside is whether or not the titles invoked by the respondents are valid. If these titles are sourced from the so-called OCT No. 994 dated 17 April 1917, then such titles are void or otherwise should not be recognized by this Court. Since the true basic factual predicate concerning OCT No. 994 which is that there is only one such OCT differs from that

⁶⁰ G.R. No. 103558, November 17, 1992, 215 SCRA 783.

⁶¹ 330 Phil. 8 (1996).

⁶² Supra note 50.

⁶³ 628 Phil. 381 (2010).

⁶⁴ Supra note 50.

expressed in the *MWSS* and *Gonzaga* decisions, said rulings have become virtually *functus officio* except on the basis of the “law of the case” doctrine, and can no longer be relied upon as precedents.

Specifically, petitioner cannot anymore insist that OCT No. 994 allegedly issued on April 19, 1917 validly and actually exists, given the following conclusions made by this Court in the 2007 *Manotok* case:

First, there is only one OCT No. 994. As it appears on the record, that mother title was received for transcription by the Register of Deeds on 3 May 1917, and that should be the date which should be reckoned as the date of registration of the title. It may also be acknowledged, as appears on the title, that OCT No. 994 resulted from the issuance of the decree of registration on [19] April 1917, although such date cannot be considered as the date of the title or the date when the title took effect.

Second. Any title that traces its source to OCT No. 994 dated [19] April 1917 is void, for such mother title is inexistent. The fact that the Dimson and CLT titles made specific reference to an OCT No. 994 dated [19] April 1917 casts doubt on the validity of such titles since they refer to an inexistent OCT. x x x.

Third. The decisions of this Court in *MWSS v. Court of Appeals* and *Gonzaga v. Court of Appeals* cannot apply to the cases at bar, especially in regard to their recognition of an OCT No. 994 dated 19 April 1917, a title which we now acknowledge as inexistent. Neither could the conclusions in *MWSS* or *Gonzaga* with respect to an OCT No. 994 dated 19 April 1917 bind any other case operating under the factual setting the same as or similar to that at bar.

To be sure, this Court did not merely rely on the DOJ and Senate reports regarding OCT No. 994. In the 2007 *Manotok* case, this Court constituted a Special Division of the Court of Appeals to hear the cases on remand, declaring as follows:

Since this Court is not a trier of fact[s], we are not prepared to adopt the findings made by the DOJ and the Senate, or even consider whether these are admissible as evidence, though such questions may be considered by the Court of Appeals upon the initiative of the parties. x x x. The reports cannot conclusively supersede or overturn judicial decisions, but if admissible they may be taken into account as evidence on the same level as the other pieces of evidence submitted by the parties. The fact that they were rendered by the DOJ and the Senate should not, in itself, persuade the courts to accept them without inquiry. The facts and arguments presented in the reports must still undergo judicial scrutiny and analysis, and certainly the courts will have the discretion to accept or reject them.

There are many factual questions looming over the properties that could only be threshed out in the remand to the Court of Appeals. x x x.

x x x x

The Special Division is tasked to hear and receive evidence, conclude the proceedings and submit to this Court a report on its findings and recommended conclusions within three (3) months from finality of this Resolution.

Thus, in the 2009 *Manotok* case, this Court evaluated the evidence engaged in by said Special Division, and adopted the latter's conclusions as to the status of the original title and its subsequent conveyances. **This case affirmed the earlier finding that “there is only one OCT No. 994, the registration date of which had already been decisively settled as 3 May 1917 and not 19 April 1917” and categorically concluded that “OCT No. 994 which reflects the date of 19 April 1917 as its registration date is null and void.”**⁶⁵ (Emphases added.)

In *Phil-Ville Development and Housing Corporation v. Bonifacio*,⁶⁶ this Court upheld the validity of the titles to a portion of land which originally formed part of the Maysilo Estate which were sourced from OCT No. 994 registered on May 3, 1917, and declared as null and void a title purportedly overlapping the said land which traced its roots from OCT No. 994 registered on April 19, 1917. The Court found that it was physically impossible for Eleuteria Rivera, the person whom respondent Bonifacio claims to be her predecessor-in-interest, to be an heir of Maria de la Concepcion Vidal because it would turn out that Eleuteria Rivera was older than her alleged grandmother Maria de la Concepcion Vidal, to wit:

Eventually, on March 31, 2009, the Supreme Court issued a Resolution reversing its Decision of November 29, 2005 and declaring certain titles in the names of Araneta and Manotok valid. In the course of discussing the flaws of Jose Dimson's title based on his alleged 25% share in the hereditary rights of Bartolome Rivera, Eleuteria Rivera's co-petitioner in LRC No. 4557, the Court noted:

. . . However, the records of these cases would somehow negate the rights of Rivera to claim from Vidal. The Verification Report of the Land Registration Commission dated 3 August 1981 showed that Rivera was 65 years old on 17 May 1963 (as gathered from the records of Civil Case Nos. 4429 and 4496). It can thus be deduced that, if Rivera was already 65 years old in 1963, then he must have been born around 1898. **On the other hand, Vidal was only nine (9) years in 1912; hence, she could have been born only on [1903].** This alone creates an unexplained anomalous, if not ridiculous, situation wherein Vidal,

⁶⁵ *Angeles v. The Secretary of Justice*, supra note 63 at 398-401.

⁶⁶ G.R. No. 167391, June 8, 2011, 651 SCRA 327, 345-346.

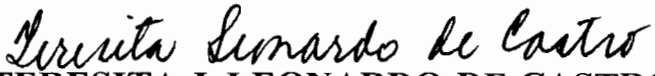
Rivera's alleged Grandmother, was seven (7) years younger than her alleged grandson. Serious doubts existed as to whether Rivera was in fact an heir of Vidal, for him to claim a share in the disputed portions of the Maysilo Estate.

The same is true in this case. **The Death Certificate of Eleuteria Rivera reveals that she was 96 years old when she died on February 22, 1997. That means that she must have been born in 1901. That makes Rivera two years older than her alleged grandmother Maria de la Concepcion Vidal who was born in 1903. Hence, it was physically impossible for Eleuteria Rivera to be an heir of Maria de la Concepcion Vidal.** (Emphases supplied, citations omitted.)

Considering all of the above matters, especially the fact that respondents claim that their respective titles, TCT Nos. 265778 and 285313, are derivatives of OCT No. 994 registered on **April 19, 1917**, which this Court had already repeatedly declared to be a non-existent and invalid title, the Court rules in favor of petitioners. **As held in *Manotok*, "[a]ny title that traces its source to OCT No. 994 dated [19] April 1917 is void, for such mother title is inexistent."**⁶⁷

WHEREFORE, in view of all the foregoing, the petition is hereby **GRANTED**. The Decision dated February 23, 2001, as well as the Resolution dated June 26, 2001 of the Court of Appeals in CA-G.R. CV. No. 57777 which affirmed *in toto* the Decision dated January 9, 1998 of Branch 126 of the RTC of the City of Caloocan in Civil Case No. C-366, are **REVERSED and SET ASIDE**. **TCT No. 265778** in the name of Felisa D. Bonifacio and **TCT No. 285313** in the name of VSD Realty & Development Corporation are declared **NULL and VOID**. The Registry of Deeds of Caloocan City is **DIRECTED to CANCEL** the said certificates of title.


SO ORDERED.

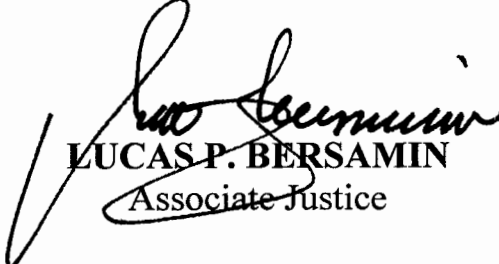

TERESITA J. LEONARDO-DE CASTRO
Associate Justice


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Manotok Realty, Inc. v. CLT Realty Development Corporation, supra note 50 at 349.

WE CONCUR:


MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson



LUCAS P. BERSAMIN
Associate Justice


JOSE PORTUGAL BEREZ
Associate Justice


ESTELA M. PERLAS-BERNABE
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