



**Republic of the Philippines
Supreme Court
Manila**

FIRST DIVISION

**CLT REALTY DEVELOPMENT
CORPORATION,**

Petitioner,

- *versus* -

**PHIL-VILLE DEVELOPMENT
AND HOUSING
CORPORATION, REPUBLIC OF
THE PHILIPPINES (through the
OFFICE OF THE SOLICITOR
GENERAL), and the REGISTER
OF DEEDS OF METRO MANILA
DISTRICT III, CALOOCAN
CITY,**

Respondents.

G.R. No. 160728

Present:

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

Promulgated:

MAR 11 2015

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DECISION

LEONARDO-DE CASTRO, J.:

Once more, the Court has the opportunity to correct the errors in the Torrens system about the fake titles that were erroneously issued covering the controversial Maysilo Estate. This case calls for a direct application of the Court *En Banc*'s resolutions in *Manotok Realty, Inc. v. CLT Realty Development Corporation*¹ as petitioner's title involved here was conclusively dealt with in those cases.

This is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to reverse and set aside the **Decision**² dated February 27, 2003 and the **Resolution**³ dated November 10, 2003 (the questioned Decision and Resolution) both issued by the Court of Appeals in **CA-G.R. CV No. 52606**, which affirmed the **Decision**⁴ dated March 15, 1996 of the Regional Trial Court (RTC), Branch 122, Caloocan City, in **Civil Case No. C-15045**.

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

² *Rollo*, pp. 103-134; penned by Associate Justice Remedios A. Salazar-Fernando with Associate Justices Ruben T. Reyes and Edgardo F. Sundiam, concurring.

³ *Id.* at 137-141.

⁴ *Id.* at 443-476; penned by Judge Silvestre H. Bello, Jr.

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The questioned Decision and Resolution sustained the RTC Decision, which ruled in favor of respondent Phil-Ville Development and Housing Corporation (respondent Phil-Ville) and against petitioner CLT Realty Development Corporation (petitioner), as shown in the dispositive portion quoted below:

WHEREFORE, in view of all the foregoing premises, judgment is hereby rendered:

1. Declaring plaintiff Phil-Ville Development and Housing Corporation the true, absolute and legitimate owner of the sixteen (16) parcels of land subject matter of this case located in Caloocan City registered in its name;
2. Declaring null and void defendant CLT's Transfer Certificate of Title No. T-177013 and ordering defendant to surrender said title to defendant Register of Deeds of Metro Manila District III;
3. Ordering the defendant Register of Deeds of Metro Manila District III to cancel the original title of TCT No. 177013 in the name of CLT in the records of his office as well as the corresponding owner's duplicate certificate;
4. Ordering defendant to pay plaintiff the sum of ₱50,000.00 as for attorney's fees;
5. The Injunction issued by this Court in its Order dated August 28, 1992 is hereby dissolved permanently;
6. To pay the cost of this suit.⁵

FACTS

This case started with a **Complaint⁶ for Quieting of Title, Damages and Injunction** filed by respondent Phil-Ville against petitioner and the **Register of Deeds of Metro Manila District III** on August 28, 1991 before the RTC of Caloocan City, Branch 122, docketed as **Civil Case No. 15045**. Both corporations are domestic, duly organized and existing under and by virtue of the laws of the Republic of the Philippines.

Respondent Phil-Ville claims that it is the registered owner and actual possessor of sixteen (16) parcels of land in Baesa, Caloocan City, as shown in the following table⁷:

Title No.	Lot Description	Exhibit
C-21568	Lot 25-A, (LRC) Psd-41914	"B"
C-24966	Lot 25-B-1, (LRC) Psd-42341	"C"
C-33124	Lot 25-B-2, (LRC) Psd-42341	"D"

⁵ Id. at 475-476.

⁶ Id. at 151-165, with Annexes "A" to "R."

⁷ Id. at 1167-1168.

C-21569	Lot 25-C, (LRC) Psd-41914	“E”
C-33418	Lot 25-D, (LRC) Psd-41914	“F”
C-21570	Lot 25-E, (LRC) Psd-41914	“G”
C-232569	Lot 26, (LRC) Pcs-1828	“H”
C-28076	Lot 27, (LRC) Pcs-1828	“I”
C-28077	Lot 28, (LRC) Pcs-1828	“J”
C-29114	Lot 31-A, (LRC) Psd-42343	“K”
C-27944	Lot 31-B, (LRC) Psd-42343	“L”
C-156145	Lot 34-A-2, (LRC) Psd-306716	“M”
C-28075	Lot 34-B, (LRC) Psd-1234001	“N”
C-29113	Lot 57-A-1, (LRC) Psd-116549	“O”
C-35359	Lot 57-A-2, (LRC) Psd-116549	“P”
C-27943	Lot 57-B, Psd-75893	“Q”

Respondent Phil-Ville claimed that it had been in “actual, open, notorious, public, physical and continuous possession” of the 16 parcels of land “before 1980 up to [the] present.”⁸ It fenced said parcels of land in 1980 and 1991.⁹

Respondent Phil-Ville presented a chart¹⁰ showing that the 16 parcels of land were derived from and were part of Lot 26, Maysilo Estate originally covered by Original Certificate of Title (OCT) No. 994 issued on May 3, 1917.

Respondent Phil-Ville alleged that based on official records of the office of respondent Register of Deeds and the Land Registration Authority, petitioner was issued **Transfer Certificate of Title (TCT) No. T-177013**, covering a parcel of land situated in Caloocan City, particularly described as follows:

A parcel of land (Lot 26, Maysilo Estate, LRC Swo-5268), situated in the Mun. of Malabon, Caloocan City, Island of Luzon. Bounded on the NW along lines 1 to 19 by the Tullajan River; on the NE., along lines 19 to 24 by Piedad Estate; on the SE., along lines 24 to 37 by Lot 27 (LRC) SWO-5268; on the SW., along lines 37 to 46 and 46 to 1 by Lot 25-A (LRC) SWO 5268 x x x containing an area of EIGHT HUNDRED NINETY[-]ONE THOUSAND FIVE HUNDRED FORTY[-]SEVEN AND FORTY-THREE (891,547.43) x x x.¹¹

Respondent Phil-Ville further claimed that an actual plotting of the relative position of Lot 26 as particularly described in petitioner’s aforementioned TCT No. T-177013 in relation to the positions of all the lots covered by respondent Phil-Ville’s transfer certificates of title, respectively, proved positively that said *TCT No. T-177013 of petitioner overlaps respondent Phil-Ville’s aforesaid parcels of land*. Respondent Phil-Ville contended that petitioner’s TCT No. T-177013, although apparently valid or effective, is in truth and in fact, invalid and ineffective, and unless declared

⁸ Id. at 1168.

⁹ Id.

¹⁰ Id. at 1169.

¹¹ Id. at 202; Phil-Ville Exhibits, Exh. “R.”

as such by the court, will inevitably prejudice respondent Phil-Ville's title over its 16 parcels of land, as said title of petitioner is a potential cause of litigations between respondent Phil-Ville and petitioner, as in the present suit, as well as suit/s involving respondent Phil-Ville and transferee/s of petitioner of the entire and/or a portion of Lot 26 in question.¹²

The other allegations of respondent Phil-Ville as contained in its Complaint to support its action to quiet title were succinctly summarized by the Court of Appeals and are quoted below:

[A]n examination of the annotations under the Memorandum of Encumbrances of Original Certificate of Title No. 994, earlier mentioned as the mother title of TCT No. 177013, reveals that on September 9, 1918, TCT No. 4210 was issued in favor of Alejandro Ruiz and Mariano P. Leuterio, cancelling OCT No. 994, Lot 26, over an area of 3,052.93 square meters and another area of 16,512.50 square meters by virtue of a Deed of Sale executed on August 21, 1918; another inscription stated that TCT No. 4211 Lot 26 with an area of 871,982 square meters was issued on September 9, 1918, totally cancelling OCT No. 994 with regard to Lot 26 by virtue of a sale on August 21, 1918 also in favor of Alejandro Ruiz and Mariano P. Leuterio; said sales were executed by Commissioners Don Tomas Arguelles and Don Enrique Llopia, duly appointed by the then Court of First Instance of Rizal in CC-391 and the sale was approved by the court; if the aforementioned sales were added together, TCT No. 4210 consisting of 3,052.93 square meters and 16,512.50 square meters when added to the 871,547 square meters of TCT No. 4211 amount to 891,547 square meters, which is equivalent to the total area of Lot No. 26, as appearing on the face of OCT No. 994; TCT No. 4211 covering Lot 26 with an area of 871,982 (LRC) Pcs-1828 in the names of Alejandro Ruiz and Mariano P. Leuterio, was cancelled by TCT No. 5261 in the name of Francisco J. Gonzales, who purchased the property from Alejandro Ruiz and Mariano P. Leuterio; when Francisco J. Gonzales died, the property was transferred to his six (6) children in undivided shares under TCT No. 35486, who partitioned among themselves the same property and seven TCTs were issued to them; the Republic of the Philippines expropriated the lands of the Gonzales and as a consequence the titles of the Gonzales were cancelled and in lieu thereof seven (7) new TCTs were issued in the name of the Republic of the Philippines; thereafter, the Republic of the Philippines through the National Housing Authority (NHA) consolidated and subdivided into 77 lots to the 8 vendees of NHA; [respondent Phil-Ville] subsequently acquired the 8 lots through sale and deeds of exchange and had the lots titled in its name; Estelita Hipolito, Jose B. Dimson and [petitioner] CLT were not among the vendees of NHA or of the latter's vendees/transferees covering the disposition of the aforementioned expropriated lands; a further examination of TCT No. 177013 of [petitioner] CLT revealed that said title was a transfer from TCT No. R-17994 in the name of Estelita I. Hipolito and said TCT No. R-17994 was a transfer from TCT No. 15166 in the name of Jose B. Dimson married to Rueta Rodriguez Dimson and TCT No. 15166 originated from OCT No. 994 in the name of Isabel Gil de Gola as judicial administratrix of the estate of Gonzalo Tuazon and 31 others; the annotations in the aforementioned titles of Estelita Hipolito and Jose B. Dimson showed that Estelita Hipolito acquired Lot 26 by virtue of an Order of Court dated

¹² Id. at 154.

October 18, 1977, approving a compromise agreement which admitted that the sale was made by Jose B. Dimson in her favor on September 2, 1976; Jose B. Dimson acquired the lot by virtue of the Court Order dated June 13, 1966 awarding to him as attorney's fees 25% of whatever remained under Lot 25-A, 26, 27, 28 and 29 undisposed of the intestate estate of decedent Concepcion Vidal, one of the registered owners of properties covered by OCT No. 994; x x x Lot 26 was totally disposed of on September 9, 1918 and August 21, 1918 in favor of Alejandro Ruiz and Mariano P. Leuterio, predecessors-in-interest of [respondent], hence, at the time of the issuance of the Order of Court dated June 13, 1966, granting to Jose B. Dimson as part of his attorney's fees the undisposed portion of Lot 26, among others, **nothing more was left of said Lot 26 which could be further awarded to or conveyed to Jose B. Dimson as attorney's fees; consequently, nothing at all was left for Jose B. Dimson to convey to Estelita Hipolito; by necessary consequence, nothing more of said Lot 26 could be conveyed by Estelita Hipolito to [petitioner] CLT**, thus, rendering TCT No. T-177013 void and ineffective x x x; at the time of [petitioner] CLT's acquisition of Lot 26, and in the subsequently acquired title of [petitioner] CLT, an annotation appeared on the TCTs which reads: "*(P)ursuant to Ministry Opinion No. 239 dated November 4, 1982, Notice is hereby given that this titles (sic) is subject to the verification by the LRC Verification Committee on questionable titles, plan, decrees and other documents*"; [petitioner] CLT was not only effectively forewarned of the questionable character of its predecessors-in-interests' title on Lot 26, but must and should had also known of [respondent Phil-Ville's] ownership of the disputed land because the latter had been in actual possession thereof then and up to now x x x.¹³ (Emphasis supplied.)

On the other hand, petitioner's allegations contained in its **Answer (With Petition for Issuance of Writ of Preliminary Injunction)**¹⁴ were likewise summarized by the Court of Appeals as follows:

[Petitioner CLT] is the registered owner of a parcel of land known as Lot 26 of the Maysilo Estate as evidenced by a valid and regular title and devoid of any infirmity, TCT No. 177013 of the Registry of Deeds of Caloocan City; it acquired said real property on December 10, 1988 from Estelita I. Hipolito, the legal registered owner of said property, by virtue of a Deed of Absolute Sale with Real Estate Mortgage; Estelita I. Hipolito, in turn, acquired Lot No. 26 of the Maysilo Estate from Jose B. Dimson, also a previous holder of Torrens title, TCT No. 15166, by virtue of a Deed of Sale dated September 2, 1976; Jose B. Dimson, on the other hand, acquired title over Lot No. 26 of the Maysilo Estate by virtue of a Court Order dated June 13, 1966 issued by the then Court of First Instance of Rizal in Civil Case No. 4557 concerning the rights and interest of the heirs of Maria de la Concepcion Vidal over certain parcels of land covered by OCT No. 994, including Lot No. 26 of the Maysilo Estate; at the time TCT No. 15166 was issued in favor of Jose B. Dimson, the parcels of land covered by OCT No. 994 were not totally disposed of, more particularly Lot No. 26; insofar as Lot 26 was concerned, OCT No. 994 was not yet cancelled; in view thereof, the Register of Deeds partially cancelled OCT No. 994 and issued a Torrens Title, TCT No. 15166, in favor of Jose B. Dimson; contrary to [respondent Phil-Ville's] allegations, it was not occupying its own properties but portions of the property of [petitioner]

¹³ Id. at 105-107.

¹⁴ Records (Vol. I), pp. 183-208.

CLT Realty covered by TCT No. T-177013 of the Registry of Deeds of Caloocan City; contrary to [respondent Phil-Ville's] allegations, its titles to the aforementioned 16 parcels of land, are the ones which are null and void; [petitioner] CLT Realty's examination of the available records revealed that TCT No. 4211, the alleged title from which [respondent Phil-Ville's] titles originated, was clearly forged and spurious; the same is true with TCT Nos. 5461, 35486 and the succeeding derivative titles; records of the alleged deeds of sale in favor of Alejandro Ruiz and Mariano P. Leuterio and the purported court order approving the same cannot be located; on the face of TCT Nos. 4211, 5261 and 35486, there are patent infirmities, inconsistencies and irregularities which pointed to the inescapable conclusion that said titles were falsified and could not have originated from OCT No. 994; the technical descriptions of Lot 26 in OCT No. 994 are already in English, however, the technical descriptions in TCT Nos. 4211, 5261 and 35486 are in Spanish; the subdivision survey is also missing; there is nothing left on the face of TCT No. 4211 which shows that it covers Lot 26 of the Maysilo Estate; the original survey dates indicated in OCT No 994 are different from those found in TCT Nos. 4211, 5261 and 35486; [petitioner] CLT Realty's examination of OCT No. 994 at the Office of the Register of Deeds (Metro Manila–District III) showed that there is no annotation with respect to the issuance of TCT No. 4211, the alleged deeds of sale in favor of Alejandro Ruiz and Mariano P. Leuterio and the purported court order approving said sales; Psd-21154, which appeared in TCT Nos. 1368 to 1374, is obviously fictitious; the records of the Land Management Section (Department of Environment and Natural Resources) did not contain said plan; the land expropriated by the Government in G.R. No. L-4918 did not refer to Lot 26 of the Maysilo Estate; [petitioner] CLT Realty was still pursuing its investigation and certain that in the near future, it will uncover other pieces of evidence showing [respondent Phil-Ville's] titles and the alleged titles from which their titles originated were fictitious, void and ineffective.¹⁵

To “resolve all the issues in this case intelligently,” the RTC of Caloocan City, Branch 122 issued the following Order dated August 28, 1992 in Civil Case No. 15045:

Submitted for resolution before this Court are the applications for issuance of a **writ of preliminary injunction** of the plaintiff Phil-Ville Development and Housing Corporation Incorporated in its Complaint dated August 26, 1991, and that of the defendant CLT Realty Development Corporation Incorporated in its Answer dated January 9, 1992.

Plaintiff is claiming ownership of the subject properties by virtue of the following Transfer Certificates of Title:

NO.	LOT DESCRIPTION	AREA	DATE REGISTERED
C-21568	Lot 25-A	497 sq.m.	2-27-79
C-24966	Lot 25-B-1	1,000 sq.m.	6-21-79
C-33124	Lot 25-B-2	1,100 sq.m.	3-21-80
C-21569	Lot 25 C	2,000 sq.m.	2-27-79
C-33418	Lot 25 D	2,000 sq.m.	3-27-80

¹⁵

Rollo, pp. 108-109.

C-21570	Lot 25 E	22,000 sq.m.	3-5-79
C-232569	Lot 26	22,760 sq.m.	5-9-91
C-28076	Lot 27	20,204 sq.m.	9-12-79
C-28077	Lot 28	21,179 sq.m.	9-12-79
C-29114	Lot 31-A	6,127 sq. m.	10-22-79
C-27944	Lot 31-B	6,120 sq.m.	9-26-79
C-156145	Lot 34-A-2	4,000 sq.m.	10-9-87
C-28075	Lot 34-B	18,965 sq.m.	9-12-79
C-29113	Lot 57-A-1	2,000 sq.m.	10-22-79
C-35369	Lot 57-A-2	1,298.5 sq.m.	6-3-80
C-27943	Lot 57-B	3,290.5 sq.m.	9-26-79

whereas defendant CLT is equally claiming right over the said subject properties by virtue of Transfer Certificate of Title No. T-177013.

Considering that both parties are claiming title to the subject properties, in order that the rights and interest of the parties and the public in general could be fully protected and safeguarded, and in order that this Court could resolve all the issues in this case intelligently, leaving no stone unturned, **both parties, plaintiff Phil-Ville Development and Housing Corporation and defendant CLT Realty Development Corporation, and their respective officers, employees, agents, or representative or any person acting for and in their respective behalf, are hereby enjoined from selling, disposing, leasing, encumbering, or otherwise conveying the subject properties or any portion thereof, covered by their alleged respective titles, until this Court shall have resolved the main case.**¹⁶ (Emphases supplied.)

Petitioner filed a *Motion to Subject Questioned Documents to Scientific or Expert Examination by the National Bureau of Investigation*¹⁷ (NBI), with reference to TCT Nos. 4210 and 4211 in the names of Alejandro Ruiz and Mariano P. Leuterio, which were in the custody of the Register of Deeds of Caloocan City; *Escritura de Venta* executed by Don Tomas Arguelles and Don Enrique Llopia on August 21, 1918, which was in the custody of the Register of Deeds of Pasig City; Exhibits “B,” “D” and “F” in CFI Case No. 391; and *Mocion* in CFI Case No. 391, which were in the custody of the Register of Deeds of Pasig City.¹⁸

Respondent Phil-Ville in turn caused the examination by the Philippine National Police (PNP) Crime Laboratory Service of the documents and presented the testimony of Mr. Zacarias Tibol, an expert witness from the PNP Crime Laboratory Service.¹⁹

The NBI Questioned Document Report No. 700-1192 dated March 9, 1993²⁰ contained the following with reference to TCT Nos. 4210 and 4211:

¹⁶ Records (Vol. I), pp. 409-410.

¹⁷ Id. at 446-450.

¹⁸ *Rollo*, p. 111.

¹⁹ Id. at 112.

²⁰ Records (Vol. II), pp. 79-81.

FINDINGS:

Laboratory analysis and comparative examination of the specimens submitted under magnification and with the aid of photographic enlargements reveal the following:

1. That the signatures "L. GARDONO", Register of Deeds, appearing in both the questioned and the standard Transfer Certificates of Title exhibit the presence of sufficient number of agreeing significant personal writing individualities and the absence of basic differences, hence, the signatures L. GARDONO, Register of Deeds, were written by one and the same person.
2. That fundamental similarities in handwriting habits and identifying details of letters/elements exist between the handwritten entries appearing in the questioned and the standard Transfer Certificates of Title, indicative of common authorship of the aforementioned handwritten entries.
3. That significant similarities in printing characteristics such as, letter-design, size, printing lay-out and other minute identifying details exist between the printed entries, including the presence of the commonwealth seal watermarks, appearing in the questioned and the standard Transfer Certificates of Title, hence the questioned and the standard TCT were prepared from one source.

CONCLUSION:

The questioned Transfer Certificates of Title Nos. 4210 and 4211 are genuine.

NBI's Chemistry Report No. C-93-272 dated May 7, 1993²¹ on the same documents revealed that:

PURPOSE OF THE LABORATORY EXMINATION:

To determine the age of ink and paper.

FINDINGS:

Examinations conducted on the above-mentioned specimens showed that the handwritten entries were written in black liquid pen ink, its iron component had oxidized.

Further examinations showed the presence of watermarks, brown spots and discoloration of the paper.

REMARKS: The above-mentioned specimens could be more or less fifty (50) years old.

²¹ Id. at 82.

FINDINGS OF THE LOWER COURT

In its Decision dated March 15, 1996 in Civil Case No. C-15045, the RTC traced the history of respondent Phil-Ville's 16 parcels of land, and we quote the relevant portions of the said Decision below:

1. Lot 26 of OCT 994, the original title of the Maysilo Estate;
2. TCT Nos. 4210 and 4211 issued to Alejandro Ruiz and Mariano P. Leuterio, who bought Lot 26 from the owners of the Maysilo Estate;
3. TCT No. 5261 in the name of Francisco Gonzales, who acquired the land covered by TCT No. 4211 from the co-owners Alejandro Ruiz and Mariano P. Leuterio;
4. TCT No. 35486 issued to the heirs of Francisco J. Gonzales after the latter's death and which cancelled their father's TCT No. 5261;
5. TCT Nos. 1368-1374 seven (7) titles issued to the Gonzales children after they partitioned the land covered by their TCT No. 35486;
6. TCT Nos. 12836 to 12842 also seven (7) titles issued to the Republic of the Philippines after the government expropriated the Gonzales Estate [*i.e.*, the seven (7) lots titled in the name of the Gonzales children under TCT Nos. 1368-1374];
7. TCT No. T-6097 [etc.], issued to the buyers of the sixteen (16) lots in question from the Republic of the Philippines;
8. TCT No. C-21568 [etc.], in the name of the plaintiff Phil-Ville over the sixteen (16) lots here in question, which cancelled the title of the buyers of said lots from the Government.²²

The RTC concluded that "the land covered by the foregoing series of titles is none other than Lot 26 of the Maysilo Estate," and declared that this was "sufficiently and satisfactorily established by the following comments and evidences"²³:

1. When Lot 26 was subdivided into three (3) parcels by agrimensor Fernando on December 22, 1917, he clearly referred to the subdivided lot as "Lot 26 de la Hacienda de Maysilo Psd-2345 (Exh. "DD");

2. The *Escritura de Venta* dated August 21, 1918 (Exh. "CC"), executed by the Commissioner appointed by the CFI of Rizal (to partition and sell the Maysilo Estate to the different claimant) in favor of

²² *Rollo*, pp. 468-469.

²³ *Id.* at 469.

Alejandro Ruiz and Mariano P. Leuterio expressly mentioned Lot 26 of Plan Psd-2345 as the subject matter of said sale;

3. Engineer Juanito Bustalino, defendants' witness, confirmed that the technical description of Lot 26 as appearing in Decree No. 36455 (Exh. "ZZZZ" as basis of OCT 994 x x x);

4. Entry AP 666S/0-994 inscribed by Register of Deeds L. Gardonio in Memorandum of Encumbrances of OCT 994 on September 9, 1918 states, that Lot 26 was subdivided into three (3) portions which were sold to Alejandro Ruiz and Mariano P. Leuterio, who were issued TCT No. 4210 over the portions with areas of 3,053.93 sq. mts. and 16,512.50 sq. mts., respectively, and TCT No. 4211 over the portion with an area of 871,982 sq. mts.;

5. TCT No. 4211 of the co-owners Alejandro Ruiz and Mariano P. Leuterio was cancelled by TCT No. 5261 in the name of Francisco Gonzales who bought the property covered by said title from them. When TCT No. 35486 was issued to the heirs later subdivided the land covered by their TCT No. 35486 into seven (7) lots and seven (7) titles, the Register of Deeds placed the following annotation on November 21, 1946 at the back of their former title TCT No. 35486;

"Entry No. 3731/T-1368 – Subdivision of the land described in this certificate of title into seven (7) lots in accordance with subdivision plan Psd-21154 duly approved by the Director of lands together with technical description."

Subdivision Plan Psd-21154 is the survey plan that partitioned the land originally registered in the name of Francisco J. Gonzales, who bought the second portion of Lot 26 of the Maysilo Estate registered in the name of Alejandro Ruiz and Mariano P. Leuterio under TCT No. 4211;

6. After the partition of the land covered by their TCT No. 35486 in the name of the Gonzales children into seven (7) parcels, resulting in the issuance to them of seven (7) separate titles TCT Nos. 1368-1374 (Exhs. "GG-2" – "GG-8"), the Republic of the Philippines filed Civil Case No. 131 in the CFI of Rizal to expropriate said seven (7) parcels from the Gonzales children (called Gonzales Estate) and notice of the filing of said expropriation case was annotated in TCT Nos. 1368-1374 of the Gonzales children on March 6, 1947 as "Entry No. 6385-A-Lis Pendens" (Exhs. "GG-2" – "GG-8"). The decision of the Supreme Court in the same expropriation case (G.R. No. L-4918) in favor of the Republic was likewise annotated by the Register of Deeds on said titles on November 2, 1954 as "Entry No. 766/T-No. 36557";

7. The decision of the Supreme Court in G.R. No. L-4918 dated May 14, 1954 (94 Phil. 956) expressly states that the subject matter of the Government's expropriation case against the Gonzales Estate is – "situated within the Maysilo Estate, Caloocan and originally covered by Transfer Certificate of Title No. 35486 x xx now represented by seven (7) transfer certificates of title, numbered and owned respectively: 1373 by Jose Leon Gonzales; 1368 by Juan F. Gonzales; 1369 by Maria C. Gonzales-Hilario; 1372 by Concepcion A. Gonzales-Virata; 1370 by Consuelo Gonzales Precilla; 1371 by Francisco Felipe Gonzales; and 1374 by Hose Gonzales, et al."

8. In another case also involving the same parcel of land acquired by the Republic of the Philippines from the Gonzales family (Baylon vs. PHHC, et. al., G.R. No. 45330-R, February 7, 1973), the High Court again described the Gonzales Estate as “having an area of 871,982 sq. mts. and originally covered by TCT No. 35486” and “by Transfer Certificates of Title No. 1368, 1369, 1370, 1371, 1372, 1373 and 1374” of the Gonzales Estate;

9. When the Gonzales’ filed a case for reversion of the properties expropriated from them by the Government, the Court of Appeals in CA-G.R. CV-69786, May 31, 1991, held that the Gonzales’ were absolutely divested of the ownership of their land after they were paid just compensation for their land and titles passed on to the Republic;

10. The sixteen (16) parcels of land here in question and titles in the name of plaintiff under TCT Nos. 21548, et al. (Exhs. “B” – “Q”) were purchased by Phil-Ville from the tenants-occupants (Exhs. “HH-1” – “HH-7”) who on their part bought from the PHHC or their successors–in-interests (Exhs. “OO” – “AAAA”, so that all the titles of the plaintiff over said sixteen (16) parcels of land are derivatives of the titles of the Republic of the Philippines;

11. That the titles of plaintiff Phil-Ville and the title of defendant CLT overlaps each other as per plans and testimonies presented to the Court (Exhs. “61 and “S”).

Therefore, there is absolutely no question that the sixteen (16) titles of plaintiff over the sixteen (16) parcels of land subject of this case involves the same lands earlier expropriated by the Government from the Gonzales Estate.²⁴ (Emphasis added.)

RULING OF THE RTC

The RTC held that there was no doubt that the lots registered in respondent Phil-Ville’s 16 titles subject-matter of this case are clearly located within the large area or Lot 26 of the Maysilo Estate, supposedly covered by petitioner’s TCT No. T-177013. Thus, the titles overlapped, and this fact was not seriously disputed by petitioner.²⁵

As shown in the dispositive portion of the RTC Decision quoted above, the RTC declared respondent Phil-Ville as “the true, absolute and legitimate owner of the sixteen (16) parcels of land subject matter of this case located in Caloocan City registered in its name;” declared as null and void petitioner’s TCT No. T-177013; ordered petitioner to surrender said title to respondent Register of Deeds of Metro Manila District III and respondent Register of Deeds to cancel the original title of TCT No. T-177013 in the name of petitioner CLT in the records of his office as well as the corresponding owner’s duplicate certificate; dissolved the injunction

²⁴ Id. at 469-471.

²⁵ Records (Vol. II), p. 440.

issued in its Order dated August 28, 1992; and awarded attorney's fees and costs.²⁶

We quote the detailed findings and conclusions made by the RTC, Branch 122 in its Decision dated March 15, 1996 in Civil Case No. C-15045, as follows:

For the survey plan of the land allegedly covered by its TCT No. 177013 prepared by Geodetic Engineer Juanito B. Bustalino on February 17 – March 31, 1992, presented by it as its Exhibit “61” in this case, shows the relative locations and positions of the sixteen (16) lots registered in the name of plaintiff (under its TCT No. C-21568, et al.) in the much bigger area supposedly covered by defendant's TCT No. 177013. **The main task of the Court in this case, is to determine which of the competing and overlapping titles of the parties are the lots in question [sixteen (16) lots subject of the complaint] are valid and genuine.**

When defendant purchased or acquired the land supposedly covered by its title TCT No. 177013 on December 10, 1988, from its predecessor Estelita Hipolito in whose name said land was previously registered under TCT No. R-17994, the latter title of Hipolito was subject to the following notice annotated at the back thereof:

“Pursuant to Ministry Opinion No. 239 dated November 4, 1982. Notice is hereby given that this title is subject to the verification by the LRC Verification Committee on questionable titles, plans, decrees and other documents.”

The above notice or warning in Hipolito's title should have put defendant on its guard when it acquired her alleged interests under her TCT No. R-17994 on December 10, 1988, and must have spurred it to investigate the basis of the above-quoted notice or warning in Hipolito's title.

x x x Estelita Hipolito acquired the land supposedly covered by her TCT No. R-17994 by virtue of a Court Order dated October 18, 1977 (Exh. “RRRR-10”) approving the Compromise Agreement between her and Atty. Jose B. Dimson, wherein the latter transferred to Hipolito on September 2, 1976 Lot 26 of the Maysilo Estate, supposedly covered by his TCT No. R-15166, which property in turn appears to have been acquired by Dimson by virtue of a Court Order dated June 13, 1966 (Exh. “RRRR-11”), awarding to him as his attorney's fees whatever remained undisposed of in Lots 25-A, 26, 27, 28 and 29 of the Maysilo Estate of Maria De La Concepcion Vidal. **Thus, the acquisition by Atty. Dimson of the interests of the late Maria De La Concepcion Vidal in Lot 26 and other lots of the Maysilo Estate was subject to the condition, that something remained of said lot in the intestate estate of said deceased that have not been disposed of. The acquisition of the same Lot 26 by Estelita Hipolito from Dimson under her TCT No. R-17994, as well as the subsequent acquisition of the same lot by defendant CLT from Hipolito under its TCT No. T-177013, were both likewise subject to the condition, that something or some portion of Lot 26 of the Maysilo**

²⁶

Rollo, p. 475.

Estate belonging to former co-owner Maria De La Concepcion Vidal remained undisposed of.

x x x [W]hen Estelita Hipolito presented her Subdivision Plan (LRC) Psd-288152, to which her TCT No. R-17994 was based to the Land Registration Authority (LRA) for approval on May 21, 1979, said plan was disapproved by the Chief of the Division of Registered Lands, for the reason that it “appears to be entirely inside (LRC) Pcs-1828; (LRC) Psd-5079; (LRC) Psd-50580 and (LRC) Psd-15345” (Exh. “RRRR-3”). And when the LRC appointed a seven (7) man Committee, headed by its then Deputy Commissioner Paz Lahoz-Argel to verify the correctness of said action of the Chief of its Division of Registered Lands and the validity of Estelita Hipolito’s TCT No. R-17994, **the Committee unanimously confirmed the disapproval by its aforesaid official of Hipolito’s Plan (LRC) Psd-288152 and recommended the annulment of her TCT No. R-17994 on the ground that Hipolito’s title “is a duplication of TCT No. 4210 and TCT No. 4211 issued as early as September 5, 1918 in favor of Alejandro Ruiz and Mariano P. Leuterio, TCT No. 4210 being what corresponds to (LRC) Psd-5079 and (LRC) Psd-5080, and the TCT being what was expropriated by the government, subdivided and consolidated into seventy[-]seven (77) lots and sold through the National Housing Authority to occupant thereon under (LRC) Pcs-1828 in the name of the Republic of the Philippines”** (Exhs. “RRRR”, “RRRR-1” to “RRRR-27”).

It is obvious then, that both Estelita Hipolito and defendant CLT were not innocent transferees of whatever interest Atty. Jose R. Dimson had in Lot 26 of the Maysilo Estate under his TCT No. 15166, because they both took said title of Dimson on condition - that there remained undisposed portions of Lot 26 in the intestate estate of the former owner Maria De La Concepcion Vidal, also on condition, as annotated at the back of Hipolito’s title TCT No. R-17994, that said title was “subject to verification by the LRC Verification Committee on questionable titles, plans, decrees and other documents”. Finally, subject indeed to the findings of the Verification Committee of the LRC, that “nothing more was left for the heirs of Maria De La Concepcion Vidal to convey to Jose R. Dimson as his attorney’s fees, and consequently, nothing at all was left for Jose R. Dimson to convey to Estelita Hipolito” (Exhs. “RRRR”, “RRRR-1” to “RRRR-27”).

In short, Estelita Hipolito’s TCT No. R-17994 is null and void as no land had been registered thereunder, and defendant CLT’s TCT No. T-177013 which was derived from Hipolito’s TCT No. R-17994 is similarly null and void for the same reason.

x x x x

To repeat, plaintiff traces its titles to the sixteen (16) lots as far back as TCT No. 4211, issued by the Register of Deeds of Pasig, Rizal on September 9, 1918, to Alejandro Ruiz and Mariano P. Leuterio (Exh. “X”), which together with TCT No. 4210 issued to the same parties, covered Lot 26 of the Maysilo Estate. These two (2) titles, which are now seventy[-]seven (77) years old, had been issued to co-owners Ruiz and Leuterio by virtue of the *Escritura de Venta* executed in their favor by Don Tomas Arguelles and Don Enrique Llopis on August 21, 1918 before Notary Public Vicente Foz under the authority given to them by the Court

in CFI Case No. 391 (Exh. "CC"), the two gentlemen Arguelles and Llopis having been appointed by the Court as commissioners to partition the vast Maysilo Estate among the co-owners and/or sell parts thereof to the claimants. x x x.

Now it is beyond question, that the subject-matter of the aforesaid *Escritura de Venta* is Lot 26 of Hacienda Maysilo or the Maysilo Estate, since Lot 26 is so mentioned in the Deed of Sale as the subject-matter thereof. The same document of sale shows that for the purpose of said sale, each of which was specifically and technically described therein, namely: the "*Primera Porcion*" with an area of 3,052.93 sq. mts.; the "*Segunda Porcion*" with an area of 871,982 sq. mts.; and the "*Tercera Porcion*" with an area of 16,512.50 sq. mts., all of which areas, when added together have a total area of 891,547.43 sq. mts., the exact area of Lot 26 appearing in OCT 994 of the entire Maysilo Estate (Exhs. "V" or "13" and in the corresponding Decree No. 36455, copy of which is still in the custody of the LRA (Exh. "ZZZZ"). The technical description of the three (3) subdivided portions of Lot 26 as appearing in said *Escritura de Venta* were determined in the subdivision undertaken by Agrimensor Fernando on December 22, 1917 (Exhs. "DD" and "DD-1"); and when a Motion was submitted to the Court for the approval of said *Escritura de Venta* on January 23, 1918, it was approved on the same day by Judge W.E. Macmahan (Exh. "EE"). This is in compliance with Section 44 of Act 496. The Land Registration Act enacted on November 6, 1902 which states:

"Sec.44. A registered owner holding one duplicate certificate for several distinct parcels of land may surrender it, with the approval of the [c]ourt, and take out several certificates for portions thereof. So a registered owner holding separate certificates for several distinct parcels may surrender them, and, with like approval, take out a single duplicate certificate title for the whole land, or several certificates for the different portions thereof. Any owner subdividing a tract of registered land into lots shall file with the clerk a plan of such land, when applying for a new certificate or certificates, and the [c]ourt, before issuing the same, shall cause the plan to be verified and require that all boundaries, streets, and passageways shall be distinctly and accurately delineated thereon."

It is clear then that no approval of the Bureau of Land is required. The Court approval of said sale thus resulted in the issuance to the two buyers Alejandro Ruiz and Mariano P. Leuterio of TCT Nos. 4210 and 4211, the first with respect to the first and third portions of Lot 26 containing an area of 3,053.93 sq. mts., and 16,512.50 sq. mts., respectively (Exh. "W"), and the second with respect to the second portion of Lot 26 containing an area of 871,982 sq. mts. (Exh. "X"), all of which areas, when added together, total 891,547.33 sq. mts., which, as mentioned earlier, is the exact area of Lot 26 appearing in OCT 994 and Decrees No. 36455. In fact, the Memorandum of Encumbrances at the back of OCT 994, the Register of Deeds of Pasig, Rizal, L. Gardonio, made two entries both numbered 6665/0-994 noting that the Deed of Sale of the three (3) portions of Lot 26 to the buyers Alejandro Ruiz and Mariano P. Leuterio was inscribed by him on September 9, 1918 at 10:50 A.M. resulting in the issuance to them of TCT No. 4210 with respect to the first and third

portions and TCT No. 4211 with respect to the second portion (Exh. “V-15-A”).

As for the authenticity of the signatures of Register of Deeds Gardonio on both titles TCT Nos. 4210 and 4211, they were found to be genuine and authentic both by the NBI experts who examined them upon order of this Court (Exhs. “WWW”, “WWW-1” to “WWW-27”) and by the PNP Crime Laboratory whom plaintiff also asked to examine said signatures to determine their genuineness (Exhs. “VVVV”, “VVVV-1” to “VVVV-8”). x x x.

All in all, the Court finds it very clear and entertains no doubt that TCT Nos. 4210 and 4211 issued to the buyers Alejandro Ruiz and Mariano P. Leuterio covering the three (3) subdivisions of Lot 26 of the Maysilo Estate completely and totally cancelled OCT 994 with respect to said lot, as found by the LRC in its Verification Committee Report on July 21, 1980 (Exhs. “RRRR”, “RRRR-1” to “RRRR-27”) with the result that when Atty. Jose B. Dimson sold to Estelita Hipolito Lot 26 which is supposedly covered by his TCT No. R-15166, the latter did not acquire anything anymore from him, as said lot had been wholly and completely disposed of in favor of the buyers Ruiz and Leuterio as early as 1918 and long before Dimson acquired his supposed title over the same and when Estelita Hipolito in turn sold to herein defendant CLT the land supposedly covered by her title TCT No. R-17994, defendant also did not acquire anything from Hipolito. **In short, both Hipolito’s and CLT’s titles are null and void for lack of a subject matter allegedly registered therein.**²⁷ (Emphases supplied.)

Aggrieved, petitioner appealed the RTC Decision that nullified its title and the Court of Appeals docketed it as CA-G.R. CV No. 52606.

On February 10, 1999, the **Republic of the Philippines**, acting through the administrator of the Land Registration Authority, filed with the Court of Appeals a **Motion for Intervention and Petition-in-Intervention**, which the Court of Appeals granted over petitioner’s opposition.

DECISION OF THE COURT OF APPEALS IN CA-G.R. CV NO. 52606

The Court of Appeals rendered its questioned Decision on February 27, 2003, which affirmed the factual findings of the RTC. In addition, the Court of Appeals made the following observations:

It is not surprising that in this case, the lower court did not discuss the validity or invalidity of the testimony or findings of the witnesses presented by both parties. **There were plethora of facts and reasons which led to the inescapable conclusion regarding the questioned documents’ validity, genuineness and authenticity.**

The NBI’s scientific examination and the PNP’s handwriting analysis were not meant to contradict each other since they involve varying techniques and methods peculiar to each examination. The former

²⁷ Id. at 453-460.

aims to establish the age of the ink and paper while the latter aims to establish the genuineness and authenticity of the signatures on the questioned documents. Both NBI and PNP findings should complement each other rather than collide. It is not a test of which is more scientific, advance or sophisticated, otherwise, one test which is less scientific would no longer be used. At a glance, there seems to be an apparent discrepancy in the test results. The NBI expert's admission that its estimation of the age of the ink and strokes had an allowance of plus 5 and 10 years due to the oxidation reaction, clearly contradicted [petitioner's] claim that the method used by the NBI is an exact science. Moreso, the exactness of the science theory, self-destructed when the same NBI expert witness admitted that there is a possibility that the questioned document could be 70 years of age.

X X X X

This Court believes that the mere fact that TCT Nos. 4211, 5261 and 35486 were written differently, i.e., Spanish supposedly instead of English from the mother title which is written in English, is not enough reason to declare the same invalid. The fact that [respondent Phil-Ville] was able to present other certificates of title written in Spanish during or about the time the questioned titles were issued, belied [petitioner's] speculation that it was not the "practice" then. **The lower court correctly observed that the translation of the technical description in a mother title, i.e., from Spanish to English in the subsequent transfer certificate of title, did not violate any rule or guidelines of the administrative agency concerned.** In fact, Memorandum of Encumbrances on OCT No. 994 which dates back in December 1917 to October 23, 1939 were all written in Spanish, despite the fact that OCT No. 994 is already in English. This only shows that it was the practice at that time to use either English or Spanish in official transactions, depending upon the person's facility with the use of a specific language.

X X X X

This Court finds the explanation of [respondent Phil-Ville] regarding the alleged non-inclusion of the original survey in TCT Nos. 4210 and 4211 and different date of survey found in the same titles as against the mother title, satisfactory and with factual basis x x x.

X X X X

It is enough that the technical description of the land in the transfer certificate is exactly identical and do not exceed the area and technical description contained in the mother title. It may be a mistake or omission on the part of the official who issued TCT Nos. 4210 and 4211, but the same is not fatal.

X X X X

[Petitioner's] conclusion that the subdivision of Lot 26 was not duly approved by the Bureau of Lands, is sufficiently countered by [respondent Phil-Ville]. Exhibit "QQQQQ", a Certification issued by Engr. Privadi J.G. Dalire, Chief, Geodetic Surveys Divisions, lands Management Bureau, stated that:

"TO WHOM IT MAY CONCERN:

This is to certify that according to the Records of Psd-Surveys approved by this Bureau, page 169 thereof, Psd-21154 is a subdivision of a titled lot located in Caloocan, Rizal as surveyed for J.L. Gonzales y Narciso and approved on November 04, 1946. The original copy however is found missing in the files of this Bureau. A tracing cloth approved by the Director of Lands was issued to the landowners for submission to the Land Registration Authority (formerly LRC) for use in the issuance of transfer certificate of title.”

The same categorically states that Psu-21154 is the subdivision plan of Lot No. 26 and was approved on November 4, 1946. In the light of the said certification, there is no need for the production of the original survey plan. [Respondent Phil-Ville] is not responsible for the safekeeping of the original survey plan. Another uncontroverted evidence on the existence of the alleged missing survey plan is the blue print copy of the approved plan Psd-21154 kept in the vault of the Register of Deeds of Pasig, presented and identified by [respondent Phil-Ville’s] witnesses, Rolando Golla and Mamerto Lara, of the same office.

X X X X

The allegation of [petitioner] that the owner’s duplicate copy of OCT No. 994 in the custody of the Register of Deeds of Pasig, Rizal is spurious or fraudulently altered, does not hold water in the absence of any proof. Other allegations of fraud and defects of the owner’s duplicate copy of OCT No. 994 with the Register of Deeds and Escritura De Venta, are, likewise, unsubstantiated and merely conjectures.

X X X X

Noteworthy is that the title of [petitioner’s] predecessor-in-interest, Jose Dimson, over the subject land was by virtue of a Court Order dated June 13, 1966 awarding to him as attorney’s fees 25% of whatever remained under Lot 25-A, 26, 27, 28 and 29 undisposed of the intestate estate of Concepcion Vidal, one of the registered owners of the properties covered by OCT No. 994. Hence, under the court order, Jose Dimson, was awarded only 25% of the undisposed estate and whatever that percentage represents, if any, should be first determined and verified by the proper government agency, then the Land Registration Commission. When Estelita Hipolito acquired the property from Jose Dimson and was subsequently issued TCT No. R-17994, and when [petitioner] acquired the same property from Estelita Hipolito and was issued TCT No. T-177013, both titles should necessarily contain an annotation referring to the report of the LRC with regard to the “25% undisposed estate” which should be covered by the titles. The annotation and report of the LRC, were in effect the very bases of the titles’ existence or validity, and not an encumbrance. The court’s order gave Jose Dimson a right to 25% undisposed area of the aforesaid lots. This annotation merely gave notice that the undisposed estate was yet to be determined and verified. The LRC report finally disposed of the issue. The said report stated that there was nothing more for the heirs of Maria De La Concepcion Vidal to convey to Jose Dimson as his attorney’s fees. In short, there was no undisposed area to speak of, which Jose Dimson can acquire.

The subject annotation is, therefore, not prohibited and proscribed since it was not an encumbrance.

Thus, the lower court did not err in holding that [petitioner] is not an innocent transferee of whatever interest Jose Dimson had on Lot 26 because it took said title of Dimson on condition that there remained undisposed portion of Lot 26 in the intestate estate of Maria De La Concepcion Vidal and subject to the verification of the LRC Verification Committee.²⁸

Acting on petitioner's Motion for Reconsideration, the Court of Appeals issued its questioned Resolution on November 10, 2003 affirming its earlier Decision and stating that the grounds and arguments raised in petitioner's Motion for Reconsideration were substantially the same that were raised on appeal and were already judiciously passed upon in the Decision dated February 27, 2003.²⁹

On December 23, 2003, petitioner filed this Petition for Review on *Certiorari* dated November 25, 2003, seeking to reverse the questioned Decision and Resolution.

After the parties submitted their respective Memoranda,³⁰ this case was deemed submitted for decision.

THEORY OF PETITIONER

Petitioner claims that the Court of Appeals "committed grave reversible errors and decided questions of substance in a way not in accordance with law and the applicable decisions of the honorable Court and has departed from the accepted and usual course of judicial proceedings necessitating the honorable Court's exercise of its power of supervision,"³¹ and presented the following arguments:

- I. The Court of Appeals gravely erred when it conveniently disregarded all the admitted patent and inherent technical defects and infirmities that plague the alleged TCT Nos. 4211, 5261, 35486 and 1368 to 1374 (from where private respondent Phil-Ville derives its alleged titles), which pursuant to jurisprudence conclusively render said titles void and ineffective.³²
 - A. The fact that the technical descriptions in the alleged TCT Nos. 4211, 5261 and 35486 are written in Spanish while those on the purported mother title, OCT No. 994, were already written entirely in English, especially taken in conjunction with the other patent and inherent technical defects or infirmities,

²⁸ Id. at 123-132.

²⁹ Id. at 141.

³⁰ Respondent Phil-Ville's Memorandum was filed on October 25, 2004 (*Rollo*, pp. 1442-1555). Petitioner's Memorandum was dated November 22, 2004 (*Rollo*, pp. 1556-1661).

³¹ *Rollo*, p. 1589.

³² Id.

confirms that said abnormality is a clear proof said alleged TCTs are spurious.³³

- B. There was no approved subdivision survey plan for Lot No. 26 of the Maysilo Estate pursuant to which the alleged TCT No. 4211 and another alleged title (TCT No. 4210) could have been validly issued, which fact is further proven by the absence of any survey plan number and lot number in said alleged titles such that said fact and the existence of a survey date therein different from that of the alleged mother title, OCT No. 994, especially taken together with the other technical defects, indubitably shows that the alleged TCTs are spurious.³⁴
- C. The fact that the alleged plan Psd-21154, which allegedly subdivided the lot covered by the alleged TCT No. 35486 (formerly covered by alleged TCT Nos. 4211 and 5261) could not be traced from the Lands Management Bureau which purportedly approved said alleged plan, taken in relation with the other technical defects on the alleged titles from where private respondent Phil-Ville derived its alleged titles, shows that said alleged titles are void and ineffective.³⁵
- D. The fact that there are material deviations in the tie points used in the technical descriptions on the alleged TCT Nos. 1368 thru 1374 compared to those in the purported mother lot, OCT No. 994, which defeat the very purpose of tie points and tie lines and is contrary to the standard practice of adopting the tie points of the mother lot, taken in conjunction with the other technical defects confirms that said alleged titles are spurious.³⁶
- II. In order to justify its questioned decision upholding the spurious titles of private respondent Phil-Ville, the Court of Appeals erred when it completely disregarded a vital and conclusive evidence, *i.e.*, the expert and scientific analysis of the Forensic Chemistry Division of the National Bureau of Investigation on the ink and paper used on the alleged TCT No. 4211 (where private respondent Phil-Ville derived its alleged titles), which scientifically found the alleged TCT No. 4211 to have been prepared only in the 1940s and not in 1918 as indicated on the face of the document and thus, is spurious.³⁷
- III. The Court of Appeals gravely erred when it routinely and erroneously relied on the allegations raised in public respondent Republic's petition-in-intervention notwithstanding the fact that the State is devoid of any legal interest in the subject matter of the litigation upon which intervention could be based especially in light of the fact that, as ruled by the Court of Appeals itself in its questioned decision, the instant case admittedly involves private lands only and thus cannot be ordered to be reverted to the Republic.³⁸

³³ Id. at 1597.

³⁴ Id. at 1603.

³⁵ Id. at 1613.

³⁶ Id. at 1617.

³⁷ Id. at 1621.

³⁸ Id. at 1631.

- IV. The Court of Appeals gravely erred when it blindly adopted the trial court's erroneous ruling that petitioner CLT Realty is not an innocent transferee on the sheer basis of an authorized and illegal annotation on its TCT.³⁹
- V. The Court of Appeals gravely erred when it perfunctorily denied petitioner CLT Realty's counterclaims despite clear, convincing and preponderant basis and evidence thereof.⁴⁰

Petitioner presents the following as the issues to be resolved by this Court in this case:

- I. WHETHER OR NOT THE COURT OF APPEALS ERRED WHEN IT DISREGARDED ALL THE ADMITTED PATENT AND INHERENT TECHNICAL DEFECTS AND INFIRMITIES THAT PLAGUE THE ALLEGED TCT NOS. 4211, 5261, 35486 AND 1368 TO 1374 (FROM WHERE PRIVATE RESPONDENT PHIL-VILLE DERIVES ITS ALLEGED TITLES), WHICH PURSUANT TO JURISPRUDENCE CONCLUSIVELY RENDER SAID TITLES VOID AND INEFFECTIVE.
- II. WHETHER OR NOT THE COURT OF APPEALS ERRED WHEN IT COMPLETELY DISREGARDED A VITAL AND CONCLUSIVE EVIDENCE IN ORDER TO JUSTIFY ITS QUESTIONED DECISION UPHOLDING THE SPURIOUS TITLES OF PRIVATE RESPONDENT PHIL-VILLE, *I.E.*, THE EXPERT AND SCIENTIFIC ANALYSIS OF THE FORENSIC CHEMISTRY DIVISION OF THE NATIONAL BUREAU OF INVESTIGATION ON THE INK AND PAPER USED ON THE ALLEGED TCT NO. 4211 (WHERE PRIVATE RESPONDENT PHIL-VILLE DERIVED ITS ALLEGED TITLES), WHICH SCIENTIFICALLY FOUND THE ALLEGED TCT NO. 4211 TO HAVE BEEN PREPARED ONLY IN THE 1940s AND NOT IN 1918 AS INDICATED ON THE FACE OF THE DOCUMENT AND THUS, IS SPURIOUS.
- III. WHETHER OR NOT THE COURT OF APPEALS ERRED WHEN IT ROUTINELY AND ERRONEOUSLY RELIED ON THE ALLEGATIONS RAISED IN PUBLIC RESPONDENT REPUBLIC'S PETITION-IN-INTERVENTION ALTHOUGH THE STATE IS DEVOID OF ANY LEGAL INTEREST IN THE SUBJECT MATTER OF THE LITIGATION UPON WHICH INTERVENTION COULD BE BASED ESPECIALLY IN LIGHT OF THE FACT THAT, AS RULED BY THE COURT OF APPEALS ITSELF IN ITS QUESTIONED DECISION, THE INSTANT CASE ADMITTEDLY INVOLVES PRIVATE LANDS ONLY AND THUS CANNOT BE ORDERED TO BE REVERTED TO THE REPUBLIC.
- IV. WHETHER OR NOT THE COURT OF APPEALS ERRED WHEN IT BLINDLY ADOPTED THE TRIAL COURT'S ERRONEOUS RULING THAT PETITIONER CLT REALTY IS

³⁹ Id. at 1648.

⁴⁰ Id. at 1656.

NOT AN INNOCENT TRANSFEREE ON THE SHEER BASIS OF AN AUTHORIZED AND ILLEGAL ANNOTATION ON ITS TCT.

- V. WHETHER OR NOT THE COURT OF APPEALS ERRED WHEN IT PERFUNCTORILY DENIED PETITIONER CLT REALTY'S COUNTERCLAIMS DESPITE CLEAR, CONVINCING AND PREPONDERANT BASIS AND EVIDENCE THEREOF.⁴¹

THEORY OF RESPONDENT PHIL-VILLE

Respondent Phil-Ville raises as an issue that this petition raises purely factual issues and this Court must respect the factual findings of the RTC and the Court of Appeals, which are supported by clear and convincing evidence.

The other issues according to Phil-Ville are quoted below:

- II. WHETHER OR [NOT] LOT 26 COVERED BY PETITIONER'S TCT NO. T-177013 ACTUALLY OVERLAPS THE SIXTEEN (16) PARCELS OF LAND [COVERED] BY RESPONDENT PHIL-VILLE'S SIXTEEN (16) TRANSFER CERTIFICATES OF TITLE IN QUESTION.
- III. WHETHER OR NOT PETITIONER'S TCT NO. T-177013 IS A SPURIOUS TITLE.
- IV. WHETHER OR NOT RESPONDENT PHIL-VILLE'S SIXTEEN (16) TITLES IN QUESTION ARE VALID TITLES.
- V. WHETHER OR NOT TCT NOS. 4210 AND 4211 SUFFER FROM DEBILITATING TECHNICAL INFIRMITIES.
- VI. WHETHER OR NOT THE USE OF SPANISH TECHNICAL DESCRIPTION IN TITLES SUCH AS TCT NOS. 4210, 4211 AND 35486 AT THAT TIME IS A COMMON ACCEPTABLE PRACTICE.
- VII. WHETHER OR NOT THE NON-INCLUSION OF THE DATE OF ORIGINAL SURVEY IN TCT NOS. 4210, 4211, 5261 AND 35486, IF AT ALL, IS NOT A FATAL OMISSION.
- VIII. WHETHER OR NOT IT IS MANDATORY THAT WHEN LOT 26 WAS SUBDIVIDED INTO THREE (3) LOTS THE RESULTING LOTS SHOULD BE DESIGNATED AS LOT 26-A, LOT 26-B AND LOT 26-C.
- IX. WHETHER THE USE OF DIFFERENT TIE POINTS IN SUBDIVISION OF SEVEN (7) LOTS IN PSD-21154 SHOULD BE TIED TO BLLM "1".

⁴¹ Id. at 1585-1586.

- X. WHETHER OR NOT A COPY OF PLAN PSD-21154 IS NOT ANYMORE AVAILABLE IN THE BUREAU OF LANDS AND THAT SAID PLAN DID NOT ACTUALLY EXIST.
- XI. WHETHER OR NOT THE TITLES OF RESPONDENT PHIL-VILLE HAVE DEFECTS.
- XII. WHETHER OR NOT TCT NOS. 4210 AND 4211 ARE FORGED CERTIFICATES OF TITLE.
- XIII. WHETHER OR NOT BOTH THE PNP AND NBI CONFIRMED THE AUTHENTICITY AND GENUINENESS OF TCT NOS. 4210 AND 4211.
- XIV. WHETHER OR NOT THE AGE OF THE INK AND PAPER USED IN TCT NOS. 4210 AND 4211 COULD ONLY BE MORE OR LESS 50 YEARS OLD.
- XV. WHETHER OR NOT LOT 26 IS THE SAME LAND THAT WAS EXPROPRIATED BY THE REPUBLIC OF THE PHILIPPINES.
- XVI. WHETHER OR NOT IT IS TOO LATE IN THE DAY FOR PETITIONER TO CONTEST THE VALIDITY OF THE RESPONDENT PHIL-VILLE'S TITLES IN QUESTION.
- XVII. WHETHER OR NOT PETITIONER CLT IS AN INNOCENT PURCHASER OF THE LAND IN QUESTION.
- XVIII. WHETHER OR NOT PETITIONER'S CLAIM OF OWNERSHIP OVER LOT 26 IS BARRED BY THE DOCTRINE OF LACHES OR STALE DEMAND.
- XIX. WHETHER OR NOT THE COURT OF APPEALS COMMITTED ANY ERROR IN ALLOWING THE INTERVENTION OF THE REPUBLIC OF THE PHILIPPINES.
- XX. WHETHER OR NOT THE COURT OF APPEALS COMMITTED ANY ERROR IN SUSTAINING THE RULING OF THE TRIAL COURT DISMISSING THE COUNTERCLAIMS AGAINST RESPONDENT PHIL-VILLE.⁴²

STATEMENT OF THE ISSUE

As this Court is not a trier of facts, with which the records of this case are replete, the only issue as far as this Court is concerned is the question of **whether or not petitioner's TCT No. T-177013 imposes a cloud on respondent Phil-Ville's titles to the 16 parcels of land subject matter of this case**, as provided in Article 476 of the Civil Code.

⁴² Id. at 1487-1489.

DISCUSSION

The New Civil Code provides the basis for an action for Quieting of Title. The specific provision reads as follows:

ARTICLE 476. Whenever there is 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, an action may be brought to remove such cloud or to quiet the title.

An action may also be brought to prevent a cloud from being cast upon title to real property or any interest therein.

In *Phil-Ville Development and Housing Corporation v. Bonifacio*,⁴³ the Court explained the nature of and requisites under this remedy in the following manner:

Quieting of title is a common law remedy for the removal of any cloud upon, doubt, or uncertainty affecting title to real property. Whenever there is a cloud on title to real property or any interest in real property by reason of any instrument, record, claim, encumbrance, or proceeding that is apparently valid or effective, but is, in truth and in fact, invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title. In such action, the competent court is tasked to determine the respective rights of the complainant and the other claimants, not only to place things in their proper places, and make the claimant, who has no rights to said immovable, respect and not disturb the one so entitled, but also for the benefit of both, so that whoever has the right will see every cloud of doubt over the property dissipated, and he can thereafter fearlessly introduce any desired improvements, as well as use, and even abuse the property.

In order that an action for quieting of title may prosper, two requisites must concur: (1) the plaintiff or complainant has a legal or equitable title or interest in the real property subject of the action; and (2) the deed, claim, encumbrance, or proceeding claimed to be casting cloud on his title must be shown to be in fact invalid or inoperative despite its *prima facie* appearance of validity or legal efficacy.

x x x x

Thus, the cloud on title consists of: (1) any instrument, record, claim, encumbrance or proceeding; (2) which is apparently valid or effective; (3) but is in truth and in fact invalid, ineffective, voidable, or unenforceable; and (4) may be prejudicial to the title sought to be quieted. x x x. (Citations omitted.)

The RTC and the Court of Appeals both arrived at the conclusion that respondent Phil-Ville had a valid title to the 16 parcels of land subject of the complaint, and that petitioner's title is invalid despite its *prima facie*

⁴³ G.R. No. 167391, June 8, 2011, 651 SCRA 327, 341-347.

appearance of validity. This conclusion was arrived at after a thorough study of the pieces of evidence presented by both parties.

We see no cogent reason to reverse and disturb the factual findings of the Court of Appeals quoted above, affirming the RTC Decision, likewise extensively quoted above, especially as they are supported by the evidence on record. **It has been held in a long string of cases that as a general rule, findings of fact of the Court of Appeals are deemed final, conclusive, and binding on this Court.**⁴⁴

The jurisdiction of this Court in a petition for review on *certiorari* under Rule 45 of the Rules of Court is limited to reviewing only errors of law. There are, in fact, exceptions to this general rule, as explained in *Baricuatro, Jr. v. Court of Appeals*,⁴⁵ but we find that they are not present in this case.

The alleged errors assigned by petitioner to the Court of Appeals are, even at a glance, factual in nature and are not borne out by the evidence on record.

As regards the alleged patent and inherent technical defects and infirmities that plagued TCT Nos. 4211, 5261, 35486 and 1368 to 1374, from which respondent Phil-Ville derived its titles, we quote with approval the following findings and conclusions of the RTC, as follows:

It is no wonder then, that in insisting in the validity of its TCT No. 177013 over Lot 26 of the Maysilo Estate, defendant CLT does not rely on the force and strength of its title but has trained its guns on the alleged nullity of TCT Nos. 4211, 5261, 35486 and 1368 to 1374 from which Phil-Ville derived its titles to the sixteen (16) lots here in question. It is likewise significant, that defendant does not attack the validity of the Republic of the Philippines TCT Nos. 12836 to 12842 (Exhs. "HH" to "NN"), which the government acquired after it expropriated the lands covered by TCT Nos. 1368 to 1374 of the Gonzales children, titles that defendant also claims to be void. Defendant even stated on page 103 of its memorandum that –

“Moreover, it is not disputed that plaintiff’s titles were all derived from the so-called Gonzales Estate which was expropriated by the Republic of the Philippines (in proceedings

⁴⁴ *Chacon Enterprises v. Court of Appeals*, 209 Phil. 634, 647 (1983).

⁴⁵ As we held in *Baricuatro, Jr. v. Court of Appeals*, 382 Phil. 15, 24 (2000): It is a settled doctrine that findings of fact of the Court of Appeals are binding and conclusive upon this Court. Such factual findings shall not be disturbed, unless: (1) the conclusion is a finding grounded entirely on speculation, surmise and conjecture; (2) the inference made is manifestly mistaken; (3) there is grave abuse of discretion; (4) the judgment is based on a misapprehension of facts; (5) the findings of fact are conflicting; (6) the Court of Appeals went beyond the issues of the case and its findings are contrary to the admissions of both appellant and appellees; (7) the findings of fact of the Court of Appeals are contrary to those of the trial court; (8) said findings of fact are conclusions without citation of specific evidence on which they are based; (9) the facts set forth in the petition as well as in the petitioner’s main and reply briefs are not disputed by the respondents; and (10) the findings of fact of the Court of Appeals are premised on the supposed absence of evidence and contradicted by the evidence on record.

which commenced in January, 1947) in the case of Republic of the Philippines vs. Jose Leon Gonzales, et al.” x x x.

If the Republic of the Philippines TCT Nos. 12836 to 12842 covering the parcels of land expropriated by it from the Gonzales Estate are valid and true, then necessarily, plaintiff’s titles over the sixteen (16) parcels of land here in question, which defendant admits to have been derived from the Republic’s aforesaid titles, must likewise be valid and true.

x x x x

x x x [D]efendant tries to cast doubt on the genuineness and authenticity of the co-owners duplicate copy of OCT 994 existing in the Office of the Register of Deeds of Pasig, Rizal. But the original copy of OCT 994 (Exh. “13”) carries, in its Memorandum of Encumbrances, as Entry No. 44905/0-994, the following annotation:

“Entry No. 44905/0-994 – Issuance of co-owner’s copy:
By order of the Court of First Instance of Rizal, a co-owner’s duplicate of this Certificate of Title No. 0-994 has been issued in favor of Maria De La Concepcion Vidal.

Date of the Instrument – March 29, 1962

Date of the Inscription – April 12, 1962 at 3:15 P.M.

(Sgd.) JOSE D. SANTOS, Register of Deeds

The co-owner’s duplicate copy of OCT 994, existing in the Office of the Register of Deeds of Pasig, Rizal must thus be genuine and a true and faithful copy of the original before the latter was particularly damaged and destroyed, either by bad handling or by the passage of time, considering that said copy was issued by the official who had the custody of the original title and in compliance with a Court Order.

x x x x

The Court has no doubt, therefore, that the co-owner’s duplicate copy of OCT 994 presented by plaintiff in this case as its Exhibit “V”, is indeed a true and faithful copy of the original of OCT 994 in the custody of the Register of Deeds of Pasig, Rizal, before said original of the title was materially damaged apparently to old age or mishandling before it was transferred to the Office of the Register of Deeds of Caloocan City in 1978.

x x x x

Defendant tries to assail the two (2) Seventy[-]Seven (77) years old titles TCT Nos. 4210 and 4211 in the names of Alejandro Ruiz and Mariano P. Leuterio cancelling OCT 994 of the Maysilo Estate with respect to Lot 26 thereof, but the Court finds its efforts fruitless and unconvincing for the following reasons:

First, defendant invites attention to the fact that while the technical descriptions of all the lots in the Maysilo Estate contained in OCT 994 are

already in English, the lots registered under TCT Nos. 4210 and 4211 are still in Spanish.

The Court agrees with plaintiff, that agrimensor Fernando who subdivided Lot 26 into three (3) portions must have prepared their technical description in Spanish simply because he was more conversant in that language than in English. In fact, there are other titles in the Office of the Register of Deeds of Pasig, Rizal, which are all derivatives of OCT 994 wherein the technical descriptions of the properties registered therein are also in Spanish (Exhs. "AAAA", "BBBB", "CCCC" and "DDDD") and many entries in the Memorandum of Encumbrances in OCT 994 from December 1917 to October, 1939 also appear to be written in Spanish. Then obviously, both Spanish and English were used interchangeably in legal and official documents in the early years of the American rule in this country and such documents were either prepared in English and Spanish depending on which language the person who prepared the document was more conversant with.

Second, defendant observes that the dates of the original survey of the Maysilo Estate indicated in OCT 994 do not appear in TCT Nos. 4210 and 4211, which show a different survey date. But, there are also other titles in the Office of the Register of Deeds of Pasig, Rizal, likewise derived from OCT 994 (Exhs. "AAAA" – "DDDD") that do not also mention the dates of the original survey of the Maysilo Estate as indicated in OCT 994. Again, it is reasonable to assume, that it was not the practice during those days to state in the succeeding titles the dates of the original survey of a registered land as stated in its OCT. The failure to state the date of the original survey in succeeding titles did not render said titles defective or invalid.

Third, defendant finds it unusual why agrimensor Fernando, who subdivided Lot 26 into three (3) portions, did not designate said portions as Lot 26-A, Lot 26-B and Lot 26-C which is the usual practice. But defendant has not shown any requirement in the Rules of the General Land Registration Office, the predecessor of the Land Registration Authority (LRA), nor in the manual of the Bureau of Lands, requiring that the resultant lots when an isolated survey is made, like the subdivision made by agrimensor Fernando on Lot 26, should be designated as Lots A, B and C, a requirement prescribed in cadastral cases.

Fourth, neither does the non-indication of the survey number (a point also raised by defendant) in TCT Nos. 4210 and 4211 lessen the validity of these titles. The approval of the Bureau of Lands was not required in 1918 (Sec. 44, Act No. 496, enacted in 1902). For the technical description of the subdivided portions of Lot 26 prepared by agrimensor Fernando were also approved by the Court when it approved the *Escritura de Venta* (Exh. "CC"), embodying said technical descriptions without indicating the survey number so that we can also believe that the statement of the survey number in the description of registered lands was not mandatory at that time, as again shown by other titles derived from OCT 994 and also found in the records of the Register of Deeds of Pasig, Rizal (Exhs. "AAAA" – "DDDD") which do not also indicate the survey numbers of the survey plans which led to their issuance.

Fifth, the fact noted by defendant, that the old titles and documents relied upon by the plaintiff are still in the files of the Register of Deeds of

Pasig, Rizal and had not been transferred to Caloocan City when it was created, together with the original of OCT 994, is easily explainable. Caloocan City was formerly a municipality of the Province of Rizal, hence all land titles over properties in the former municipality of Caloocan and their supporting documents, formed part of the official records of the Register of Deeds of Pasig, Rizal. Upon the creation of Caloocan City in 1977 or 1978, certain titles and documents pertaining to properties located in Caloocan City were transferred from Pasig, Rizal to the Office of the Register of Deeds of Caloocan City either upon request of certain parties or upon the initiative of the latter Officials. Titles not requested to be transferred and other documents relating to early transactions involving properties located in the former municipality of Caloocan, however, remained with the Office of the Register of Deeds of Pasig, Rizal, such as the co-owner's duplicate title of OCT 994, owner's duplicate of TCT Nos. 4210, 4211 and 5261 and their supporting documents. (see the testimonies of Deputy Register of Deeds of Caloocan City, Norberto Vasquez, TSN November 12, 1991, pp. 23, 25; of Rolando Golla, representative of the Register of Deeds of Pasig, Rizal, TSN id., p. 23; TSN March 17, 1992, p. 27; TSN December 7, 1992, p. 18; and of Mamerto Lara, Records Officer of the Register of Deeds of Pasig, Rizal, TSN May 5, 1992, pp. 11-16).

Add to all the above, the further consideration that TCT Nos. 4210 and 4211 and the *Escritura de Venta* (Exhibit "CC") as well as all the other documents supporting said titles and deed of sale are more than 75 years old, so that under the Rules of Court, no other evidence of their execution and authenticity need to be given as they were "produced from a custody in which would naturally be found if genuine" (Rule 132, Sec. 1, Revised Rules of Court). Moreover, said titles and deed of sale and other supporting documents, are all public documents and ancient at that, so that no further evidence than said documents themselves are necessary to provide their validity, genuineness and authenticity (Sec. 23, Rule 132, id.).

The Court thus reiterate, that the documents and titles from which plaintiff's titles to the lots in question are derived, are genuine, authentic, valid and legitimate.

As already seen, TCT No. 4211 in the name of Alejandro Ruiz and Marciano P. Leuterio was cancelled by TCT No. 5261 of Francisco J. Gonzales (Exh. "Z"), upon whose death, the land covered by TCT No. 5261 was subdivided in Plan Psd-21154 (Exh. "U"), among the six (6) Gonzales children, resulting in the issuance to them of TCT Nos. 1368-1374 (Exhs. "GG-2" – "GG-8"). The lands covered by said titles of the Gonzales children were later expropriated by the government, consolidated and then divided into seventy[-]seven (77) lots, after these lots were sold to their claimants occupants or their successors from plaintiff in turn acquired the sixteen (16) lots here in question.⁴⁶

⁴⁶ *Rollo*, pp. 456-463. The RTC further held:

Even assuming arguendo, that Psd-21154 of the Gonzales family cannot be found either in the records of the Bureau of Lands or those of the LRA, as claimed by the defendant, such fact would not detract from the validity of the title TCT No. 4211 of Alejandro Ruiz and Mariano P. Leuterio or the succeeding titles of Francisco J. Gonzales, those of his six (6) children and later of the government, over the lots in question.

The truth of the matter is that there are existing official records of Plan Psd-21154 (Exh. "U") of the Gonzales family. For secondary official records of approved Psd survey in the Bureau of Lands, show that Plan Psd-21154 was a subdivision survey approved on November 4, 1946, covering lands in Caloocan, Rizal and surveyed for Jose

Leon Gonzales y Narciso, et al., as certified by Engineer Privade J. G. Dalire, Chief, Geodetic Survey Division, Bureau of Lands, to wit:

“To Whom It May Concern:”

This is to certify that according to the records of Psd-Surveys approved by this Bureau, page 169 thereof, Psd-21154 is a subdivision of a titled lot located in Caloocan, Rizal, as surveyed for LL Gonzales y Narciso and approved on November 04, 1976. The original copy however, is found existing in the files of this Bureau. A tracing cloth approved by the Director of Lands was issued the landowners for submission to the Land Registration Authority (formerly LRC) for use in the issuance of transfer certificate of title.” (Exhs. “QQQQ”, “QQQQ-1” – “QQQQ-2”; x x x.)

Furthermore, a blue print copy of approved Plan Psd-21154 is being kept in the vault of the Office of the Register of Deeds of Pasig, Rizal (Exh. “U”), which plan became the basis for the issuance of the seven (7) titles, TCT Nos. 1368 - 1374 (Exhs. “GG-2” to “GG-8”) to the Gonzales children over the subdivided lots in said plan, which seven (7) lots were in turn later expropriated by the Government. Thus, the Memorandum of Encumbrances in TCT No. 35486 (Exh. “Y”) in the name of the widow of Francisco J. Gonzales children:

Entry No. 3731/T-1368 – Subdivision of the Land described in this certificate of title into seven (7) lots in accordance with subdivision plan Psd-21154 duly approved by the Director of Lands together with the technical description.

Date of Instrument – November 4, 1946

Date of Inscription – November 21, 1946 at 1:10 P.M.

(Sgd.) GREGORIO VELASQUEZ
Acting Register of Deeds/jcl”

On the other hand, while Eduardo Alejandro Santos, Jr., Acting Chief of the Vault Section, Docket Division on the Land Registration Commission, testified that the original tracing cloth of Plan Psd-21154 is not on file with their office, he stated that the old approved subdivision plans from the time the LRA was created up to the present are indeed not intact in their office as these plans could have been lost or some Register of Deeds perhaps did not follow the proper procedure (TSN March 27, 1995, p. 9). Santos added that he could not tell conclusively that on 1946, the submission of the original tracing cloths of subdivision plans to this office was required x x x.

Subdivision Plan Psd-21154 presented in this case by plaintiff as its Exh. “U” is therefore unquestionably genuine and authentic and had been duly approved by the Bureau of Lands, resulting in the issuance of TCT Nos. 1368 – 1374 to the Gonzales children, the heirs of Francisco J. Gonzales, who purchased the land covered by TCT No. 4211 from Alejandro Ruiz and Mariano P. Leuterio.

On the alleged use of different tie points, the Court believes that there is really no necessity of going into the technical matter of the points in determining the validity of Survey Plan Psd-21154 of the Gonzales family (Exh. “U”), since said plan and the succeeding plan LRC (Psd) 1828, covering the same land prepared for the PHHC (Exh. “AA”) had both been approved by the Bureau of Lands and the LRC (now LRA), the government agencies with the power and authority to approve subdivision surveys of registered lands. There is a presumption of regularity and compliance with existing regulations when both offices approved the aforesaid survey plans. There is therefore, no need to belabor the matter of the points brought up by defendant in its memorandum.

Be that as it may, the Court does not agree with defendant that the supposed deviation in tie points from BLLM “1” of the original survey Psu-2345 made in Psd-21154 resulted in the shifting of the position of the seven (7) subdivided lots of the Gonzales heirs to the west from their original positions, so that they no longer fall exactly inside the boundaries of the mother lot, as alleged by defendant based on the testimony of its witness Engineer Juanito Bustalino x x x.

Firstly, the above opinion of Engineer Bustalino is highly theoretical and should have been established by an actual relocation survey, especially since Bustalino himself declared an error in tie point would not necessarily change the location of the land “because the land is there and you cannot move (sic) it” as “its location is very specific on the ground” x x x. Bustalino even admitted that tie lines are not part of the metes and bounds x x x and that it is also possible that it was the property of defendant CLT and not that of Phil-Ville that had shifted x x x. (Id. at 463-465.)

The Court of Appeals issued the questioned Decision and Resolution based on the evidence presented on trial even prior to this Court's issuance of the historically-significant *en banc* resolutions in the consolidated cases, commonly entitled *Manotok Realty, Inc. v. CLT Realty Development Corp.*,⁴⁷ wherein the Court reconsidered and reversed its earlier Decision in the same case, as well as related, previously-decided cases, referring to OCT No. 994 covering a portion of the Maysilo Estate. There were two resolutions in said cases, one dated December 15, 2007 (the 2007 *Manotok* Resolution) and a subsequent one dated March 31, 2009 (the 2009 *Manotok* Resolution).

Of particular relevance to this present case is the ruling in the 2009 *Manotok* Resolution that TCT No. T-177013, the certificate of title of herein petitioner CLT, who is also a party to said consolidated cases, is null and void.⁴⁸ Therefore, the cloud on respondent Phil-Ville's 16 titles subject matter of the complaint had already been removed.

From its Answer in the Complaint filed before the RTC to its Memorandum filed before this Court, petitioner proudly traces the problematic TCT No. T-177013 to its previous owner, Estelita Hipolito, who acquired said lot from Jose Dimson.⁴⁹ In *Manotok*, the same title was also the subject matter of one of the consolidated cases, described as follows:

CLT's claim was anchored on Transfer Certificate of Title (TCT) No. T-177013 issued in its name by the Caloocan City Register of Deeds, which title in turn was derived from Estelita Hipolito (Hipolito) by virtue of a Deed of Sale with Real Estate Mortgage dated 10 December 1988. Hipolito's title emanated from Jose Dimson's (Dimson) TCT No. R-15169, a title issued pursuant to an order of the Court of First Instance (CFI) of Caloocan City, Branch 33. Dimson's title appears to have been sourced from OCT No. 994.⁵⁰ (Citation omitted.)

In *Manotok*, it was established that the true date of OCT No. 994 is May 3, 1917, and that there is only one OCT No. 994. The decree of registration was issued on April 19, 1917, and actually "received for transcription" by the Register of Deeds on May 3, 1917.⁵¹ Thus, all the titles that traced its roots to the spurious OCT No. 994 dated April 19, 1917 were invalidated, including herein petitioner's TCT No. T-177013. As held by the Court:

It is evident from all three titles — CLT's, Hipolito's and Dimson's — that the properties they purport to cover were "originally registered on the 19th day April, in the year nineteen hundred and seventeen in the Registration Book of the Office of the Register of Deeds of Rizal." Note, as earlier established, there is no such OCT No. 994 originally registered on 19 April 1917.

⁴⁷ Supra note 1.

⁴⁸ *Manotok Realty, Inc. v. CLT Realty Development Corp.*, 601 Phil. 571, 636 (2009).

⁴⁹ See petitioner's Answer in *Records*, pp. 183-208, Memorandum in *Rollo*, pp. 1556-1659.

⁵⁰ *Manotok Realty, Inc. v. CLT Realty Development Corp.*, 565 Phil. 59, 70-71 (2007).

⁵¹ *Id.* at 79.

X X X X

From these premises, the Court is able to make the following binding conclusions. *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 17 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 17 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 17 April 1917 casts doubt on the validity of such titles since they refer to an inexistent OCT. This error alone is, in fact, sufficient to invalidate the Dimson and CLT claims over the subject property if singular reliance is placed by them on the dates appearing on their respective titles.⁵² (Emphasis added.)

As a matter of fact, in *Alfonso v. Office of the President and Phil-Ville Development and Housing Corporation*,⁵³ the Court penalized the former register of deeds of Caloocan who acquiesced to the change of the date of registration of OCT No. 994 from May 3, 1917 to April 19, 1917, which wreaked havoc on our country's land titling system, and led to much confusion that continued to "rear its ugly head" in many cases pending before the courts.

It has taken all three branches of government to correct the massive confusion caused by the fake titles purportedly covering various portions of the Maysilo Estate. In *Manotok*, the Court took note of the Department of Justice Report dated August 28, 1997 as well as the Senate Report dated May 25, 1998, which the Solicitor General contended should be considered by the Court as evidence. As in this case, the Republic of the Philippines had assiduously intervened in each and every pending case involving the various titles that have spawned from the spurious OCT No. 994. What the Court in the 2007 *Manotok* Resolution did was to conduct its own investigation as to the controversy, and not just rely on the reports presented by the Solicitor General from both the executive and the legislative departments, and to remand the case to a Special Division of the Court of Appeals for reception of further evidence. The duties of said Special Division were spelled out in *Manotok* in this manner:

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.

⁵² Id. at 91-96.

⁵³ 548 Phil. 615, 637-638 (2007).

In ascertaining which of the conflicting claims of title should prevail, the Special Division is directed to make the following determinations based on the evidence already on record and such other evidence as may be presented at the proceedings before it, to wit:

- i. Which of the contending parties are able to trace back their claims of title to OCT No. 994 dated 3 May 1917?
- ii. Whether the imputed flaws in the titles of the Manotoks and Araneta, as recounted in the 2005 Decision, are borne by the evidence? Assuming they are, are such flaws sufficient to defeat the claims of title of the Manotoks and Araneta?
- iii. Whether the factual and legal bases of 1966 Order of Judge Muñoz-Palma and the 1970 Order of Judge Sayo are true and valid. Assuming they are, do these orders establish a superior right to the subject properties in favor of the Dimsons and CLT as opposed to the claims of Araneta and the Manotoks?
- iv. Whether any of the subject properties had been the subject of expropriation proceedings at any point since the issuance of OCT No. 994 on 3 May 1917, and if so what are those proceedings, what are the titles acquired by the Government and whether any of the parties is able to trace its title to the title acquired by the Government through expropriation.
- v. Such other matters necessary and proper in ascertaining which of the conflicting claims of title should prevail.⁵⁴

In the 2009 *Manotok* Resolution, the Court held that the Report (of the Special Division) “is a commendably exhaustive and pellucid analysis of the issues referred to the Special Division” and “is a more than adequate basis”⁵⁵ for the Court to make its final dispositions in the consolidated cases. We quote the portions of the 2009 *Manotok* Resolution referring to the CLT title, as follows:

The ultimate purpose of the inquiry undertaken by the Court of Appeals was to ascertain which of the four groups of claimants were entitled to claim ownership over the subject properties to which they claimed title thereto. One set of properties was disputed between CLT and the Manotoks, while the other set was disputed between Araneta and the Heirs of Dimson.

x x x x

Another property in Dimson’s name, apparently taken from Lot 26 of the Maysilo Estate, was later sold to Estelita Hipolito, who in turn sold the same to CLT. Said property was registered by CLT under TCT No. T-177013, which also reflected, as its mother title, OCT No. 994 dated 19

⁵⁴ *Manotok Realty, Inc. v. CLT Realty Development Corp.*, 565 Phil. 59, 102-103 (2007).

⁵⁵ *Manotok Realty, Inc. v. CLT Realty Development Corp.*, 601 Phil. 571, 577 (2009).

April 1917. Said property claimed by CLT encroached on property covered by titles in the name of the Manotoks. The Manotoks traced their titles to TCT Nos. 4210 and 4211, both issued in 1918 and both reflecting, as their mother title, OCT No. 994 dated 3 May 1917.

It is evident that both the Heirs of Dimson and CLT had primarily relied on the validity of OCT No. 994 dated 19 April 1917 as the basis of their claim of ownership. However, the Court in its 2007 Resolution held that OCT No. 994 dated 19 April 1917 was inexistent. The proceedings before the Special Division afforded the Heirs of Dimson and CLT alike the opportunity to prove the validity of their respective claims to title based on evidence other than claims to title the inexistent 19 April 1917 OCT No. 994. Just as much was observed by the Special Division:

X X X X

The Special Division noted that the Heirs of Dimson did not offer any explanation why their titles reflect the erroneous date of 19 April 1917. At the same time, it rejected CLT's explanation that the transcription of the erroneous date was a "typographical error."

X X X X

Our findings regarding the titles of Jose Dimson necessarily affect and even invalidate the claims of all persons who seek to derive ownership from the Dimson titles. These include CLT, which acquired the properties they laid claim on from Estelita Hipolito who in turn acquired the same from Jose Dimson. Just as much was concluded by the Special Division as it evaluated CLT's claims.

X X X X

In view of the foregoing disquisitions, invalidating the titles of DIMSON, the title of CLT should also be declared a nullity inasmuch as the nullity of the titles of DIMSON necessarily upended CLT's propriety claims. As earlier highlighted, CLT had anchored its claim on the strength of Hipolito's title and that of DIMSON's TCT No. 15166. Remarkably and curiously though, TCT No. 15166 was never presented in evidence for purposes of tracing the validity of titles of CLT. On this basis alone, the present remand proceedings remain damning to CLT's claim of ownership.

Moreover, considering that the land title of CLT carried annotations identical to those of DIMSON and consequently included the defects in DIMSON's title, the fact that whatever typographical errors were not at anytime cured by subsequent compliance with the administrative requirements or subjected to administrative correction bolsters the invalidity of the CLT title due to its complete and sole dependence on the void DIMSON title.⁵⁶

Thus, both requisites in order for an action for quieting of title to prosper have been met in this case: (1) respondent Phil-Ville had established its equitable title or interest in the 16 parcels of land subject

⁵⁶ Id. at 585-600.

of the action; and (2) TCT No. T-177013, found to overlap titles to said properties of respondent Phil-Ville, was previously declared invalid.

In fine, the Court of Appeals, in its questioned Decision and Resolution, did not commit reversible error in upholding the RTC Decision dated March 15, 1996.

WHEREFORE, in view of the foregoing, the petition is hereby **DENIED**. Costs against petitioner.

SO ORDERED.

Teresito Leonardo de Castro
TERESITA J. LEONARDO-DE CASTRO
Associate Justice

WE CONCUR:

Maria Lourdes P. A. Sereno
MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson

Lucas P. Bersamin
LUCAS P. BERSAMIN
Associate Justice

Jose Portugal Perez
JOSE PORTUGAL PEREZ
Associate Justice

Estela M. Perlas-Bernabe
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