



Republic of the Philippines
Supreme Court
 Manila

CERTIFIED TRUE COPY
Wilfredo M. Lapitan
 WILFREDO M. LAPITAN
 Division Clerk of Court
 Third Division
 AUG 23 2016

THIRD DIVISION

**HEIRS OF LIBERATO
 CASTILLEJOS and RURAL
 BANK OF AGOO, LA UNION,**
 Petitioners,

G.R. No. 190158

Present:

VELASCO, JR., J.,
Chairperson,
 PERALTA,
 PEREZ,
 REYES, and
 LEONEN,* JJ.

- versus -

LA TONDEÑA INCORPORADA,
 Respondent.

Promulgated:

July 20, 2016

X-----*Wilfredo M. Lapitan*-----X

RESOLUTION

REYES, J.:

This is a petition for review on *certiorari*¹ under Rule 45 of the Rules of Court assailing the Decision² dated May 29, 2009 of the Court of Appeals (CA) in CA-G.R. CV No. 90598 which affirmed the Decision³ dated September 12, 2007 of the Regional Trial Court (RTC) of Bauang, La Union, Branch 33 in Civil Case No. 1108-BG, granting La Tondeña Incorporada's (respondent) complaint for quieting of title, declaration of nullity and/or nullification of tax declaration and damages.

* Additional Member per Raffle dated May 30, 2016 *vice* Associate Justice Francis H. Jardeleza.
 Rollo, pp. 31-69.

² Penned by Associate Justice Mariano C. Del Castillo (now a member of this Court), with Associate Justices Monina Arevalo-Zenarosa and Priscilla J. Baltazar-Padilla concurring; *id.* at 75-89.

³ Issued by Judge Rose Mary R. Molina-Alim; *id.* at 92-103.

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The Antecedents

On September 16, 1997, the respondent filed a Complaint⁴ for Quieting of Title, Declaration of Nullity and/or Nullification of Tax Declarations and Damages against Liberato Castillejos (Liberato) who perished pending trial and was thus substituted by his heirs, herein petitioners.

In its complaint, the respondent averred that it is the absolute owner of two parcels of land, with an area of 1,944 square meters, more or less, and 184,354 sq m, more or less, respectively, located at Barangay Bagbag (now Casilagan), Bauang, La Union, covered by Tax Declaration (TD) Nos. 93-005-5221, 4634, 9730, 51100, 28834, and 18506 issued by the Provincial Assessor of La Union in 1994, 1985, 1980, 1974, 1959, and 1953, respectively.⁵

The respondent alleged that on May 29, 1991, Liberato, through stealth, misrepresentation and deliberate fraud, maliciously executed an affidavit of ownership over the subject properties and presented the same to the Provincial Assessor of La Union who, in turn, issued in his name TD Nos. 26682 and 26683 on May 31, 1991.⁶

Likewise, the respondent claimed that by itself and through its predecessors-in-interest, it has been in continuous, open, public and adverse possession of the subject real properties through time immemorial.⁷

Liberato, for his part, claimed that his land and the subject properties claimed by the respondent are different from one another because they have different boundaries. He alleged that his land was tilled by his father-in-law since 1940 before he took possession thereof in 1962. He planted the land with different crops and trees and built a house thereon where he and his family have continuously resided.⁸

During trial, the parties endeavored to substantiate their respective claims of ownership. The evidence for the respondent showed that the subject property was originally covered by TD No. 7511⁹ series of 1947 which was later on cancelled in 1953 by TD No. 18506.¹⁰ In these two TDs, the stated owner was "Homestead

⁴ Id. at 104-109.

⁵ Id. at 105.

⁶ Id. at 106.

⁷ Id.

⁸ Id. at 97-98.

⁹ Id. at 161-162.

¹⁰ Id. at 163-164.

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(Unknown)” with Juan Dumuk (Juan) as the administrator.¹¹ In 1959, TD No. 28834¹² was issued in the respondent’s name. From then on, the TDs on the subject property reflected its name as owner, the latest of which having been issued in 1994.¹³ On June 6, 1959, Juan executed an affidavit acknowledging his appointment as the respondent’s administrator.¹⁴ On March 23, 1994, he was replaced by his son Victor Dumuk (Victor).¹⁵

Victor was in charge of updating the payment of realty taxes on the respondent’s land, preventing or evicting illegal occupants and collecting monthly rentals from registered occupants. Sometime thereafter, Carlos Supsup and Warlito Suniega (Warlito), the land’s registered occupants, reported to Victor that Liberato was claiming ownership of a portion of the land they were tilling and that he ordered them to vacate the same. Victor later on discovered that there were two TDs issued in Liberato’s name. He, thus, brought the matter to the attention of the respondent’s officials.¹⁶

Liberato, for his part, presented an affidavit of ownership and TD Nos. 26682¹⁷ and 26683¹⁸ over Lots 20096 and 20097, respectively. He also declared that in 1986, he allowed his nephew Warlito to plant *palay* in a portion of his land.¹⁹

Engineer Gerry Boado, the technical supervisor of the Survey Records Section, Regional Survey Division of the Department of Environment and Natural Resources (DENR), testified that based on the cadastral record of Bauang, La Union, Liberato was the only claimant of Lots 20096 and 20097 covered by TD Nos. 26682 and 26683.²⁰

Ruling of the RTC

In the Decision²¹ dated September 12, 2007, the RTC granted the complaint for the reason that the respondent had older documents proving ownership. The respondent’s oldest TD was issued way back in 1948 while Liberato’s TDs were dated 1982.²² In Liberato’s

¹¹ Id. at 94.
¹² Id. at 165-166.
¹³ Id. at 167-173.
¹⁴ Id. at 174.
¹⁵ Id. at 95.
¹⁶ Id.
¹⁷ Id. at 177-178.
¹⁸ Id. at 179-180.
¹⁹ Id. at 97-98.
²⁰ Id. at 98-99.
²¹ Id. at 92-103.
²² Id. at 102.

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affidavit of ownership, there was no mention as to how he acquired the land.²³ The RTC did not give weight to the cadastral record that Liberato is the only claimant of Lots 20096 and 20097 because he did not notify the respondent when the survey was conducted.²⁴ Finally, the RTC rejected the petitioners' argument that the respondent, being a corporation, is prohibited by the 1987 Constitution from acquiring real estate and instead ruled that the respondent already had vested right to acquire the land prior to the enactment of the constitutional prohibition.²⁵ The RTC awarded attorney's fees in favor of the respondent for the reason that the case had been pending for several years.²⁶ Thus, the RTC disposed as follows:

WHEREFORE, premises considered, this Court rules in favor of [the respondent] and against [Liberato], and declares:

1. The [respondent] as the true and absolute owner of the properties covered by [TD] No. 93-005-5221;
2. [TD] No. 93-005-5221 and all [TDs] in the name of [the respondent] issued prior to it valid;
3. [TD] Nos. 26682 and 26683 in [Liberato's] name void; and,
4. The [petitioners] to pay [the respondent] attorney's fees amounting to Twenty Thousand Pesos (Php20,000.00) and to pay the cost of suit.

SO ORDERED.²⁷

Ruling of the CA

The CA, in its Decision²⁸ dated May 29, 2009, affirmed the RTC decision stressing that the oldest TD in favor of the respondent is sufficient proof that it owns the land. Although TDs are not conclusive proof of ownership, they are nonetheless, good indication of possession in concept of owner. The respondent also exercised acts of ownership and possession over the land through its administrators.²⁹ The CA further held that there is no conclusive proof that the lands claimed by the parties are actually separate and distinct. Accordingly, the CA held, thus:

²³ Id.
²⁴ Id.
²⁵ Id. at 102-103.
²⁶ Id. at 103.
²⁷ Id.
²⁸ Id. at 75-89.
²⁹ Id. at 84-85.



WHEREFORE, the instant appeal is hereby **DISMISSED** and the Decision of the [RTC] of Bauang, La Union, Branch 33, in Civil Case No. 1108-BG, **AFFIRMED**.

SO ORDERED.³⁰

The petitioners moved for reconsideration³¹ but it was denied in the CA Resolution³² dated November 4, 2009. Hence, the present recourse.

Ruling of the Court

The petition is partly meritorious.

It is immediately noticeable that the petition suffers a procedural infirmity since its resolution involves factual questions that require for their determination and evaluation of the evidentiary record. Settled is the rule that the Court is not a trier of facts and it is bound by the factual findings of the CA; hence, a petition for review should be confined to questions of law. The rule, however, permits exceptions, two of which obtain in the present case – (a) when the judgment of the CA is based on a misapprehension of facts or (b) when its findings are not sustained by the evidence on record.³³

“An action to quiet title to property or to remove a cloud thereon is a remedy or form of proceeding originating in equity jurisprudence. The plaintiff in such an action seeks for adjudication that any adverse claim of title or interest in the property in question is invalid, so that the plaintiff and those claiming under him or her may forever be free from any danger of the hostile claim.”³⁴ It is governed by Article 476 of the Civil Code which reads:

Art. 476. Whenever there is 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.

³⁰ Id. at 88.

³¹ Id. at 138-158.

³² Id. at 90-91.

³³ *Republic of the Philippines v. East Silverlane Realty Development Corporation*, 682 Phil. 376, 384 (2012).

³⁴ *Spouses Divinagracia v. Cometa*, 518 Phil. 79, 84 (2006).

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

For the action to prosper, two requisites must concur, *viz*: (1) the plaintiff or complainant must have a legal or an equitable title to or interest in the real property which is the subject matter of the action; and (2) the deed, claim, encumbrance or proceeding that is being alleged as a cloud on plaintiff's title must be shown to be in fact invalid or inoperative despite its *prima facie* appearance of validity or legal efficacy.³⁵

In this case, no clear and concrete evidence is extant from the records that the properties covered by Liberato's TD Nos. 26682 and 26683 are the same parcels of land described in the respondent's TDs. The boundaries, nature and classification of the land claimed by the parties appear to be different. The TDs proffered by the respondent shows that the land it claims has the following boundaries: *North* - Leandro Quinzon, *South* - Luisa Perillo and Others, *East* - Faustino Pichay and Others, and *West* - Santiago Lucas Quinzon *etc.*³⁶

The land covered by TD Nos. 7511,³⁷ 18506³⁸ and 28834³⁹ was classified as cogon and forest land with an area of 186,348 sq m, the 1,944-sq-m portion of which was later on reclassified in TD Nos. 51100,⁴⁰ 09730,⁴¹ 4634⁴² and 93-005-5221⁴³ as upland riceland/unirrigated riceland.

On the other hand, Liberato's TD No. 26682⁴⁴ pertained to a land classified as pastureland (160,000 sq m), unirrigated riceland (1,681 sq m) and orchard (1,000 sq m) with the following boundaries: *North* - Barangay Road, *South* - Lot No. 20105, *East* - Lot Nos. 10467, 10441, 10431 and 10430, and *West* - Lot Nos. 20107, 20144, 10479 and 13194.

Meanwhile, Liberato's TD No. 26683⁴⁵ refers to a land, the 35,000-sq-m portion of which is classified as pastureland, with the rest of its 5,272-sq-m portion described as unirrigated riceland.

³⁵ *Robles v. CA*, 384 Phil. 635, 647 (2000).

³⁶ *Rollo*, pp. 161-173.

³⁷ *Id.* at 161-162.

³⁸ *Id.* at 163-164.

³⁹ *Id.* at 165-166.

⁴⁰ *Id.* at 167-168.

⁴¹ *Id.* at 169-170.

⁴² *Id.* at 171.

⁴³ *Id.* at 172-173.

⁴⁴ *Id.* at 177-178.

⁴⁵ *Id.* at 179-180.

The respondent failed to illustrate, prove or even allege which portion of the land covered by its TD was allegedly encroached upon by Liberato's TD Nos. 26682 and 26683. It did not submit a technical description or survey report to identify the exact locations of the property it claims *vis-à-vis* the one claimed by Liberato.

Considering that the claim of overlapping has not been clearly established, the Court deems it appropriate to remand the case to the RTC for the conduct of a verification/relocation survey under the direction and supervision of the Land Management Bureau of the DENR. In the event that the respondent's claim of encroachment is found to be correct, the corresponding adjustment in the metes and bounds of Liberato's property should be reflected in TD Nos. 26682 and 26683, which will then have to be partially, if not totally voided, and the corresponding amendment as to the precise area and technical description be made.


WHEREFORE, the Decision dated May 29, 2009 of the Court of Appeals in CA-G.R. CV No. 90598 and the Decision dated September 12, 2007 of the Regional Trial Court of Bauang, La Union, Branch 33 in Civil Case No. 1108-BG granting the respondent's complaint for quieting of title, are **SET ASIDE**. The case is **REMANDED** to the said RTC which is hereby directed to order the Land Management Bureau of the Department of Environment and Natural Resources to conduct a verification/relocation survey to determine the overlapping of properties covered by the Heirs of Liberato Castillejos' TD Nos. 26682 and 26683 and the La Tondeña Incorporada's TD No. 93-005-5221 issued by the Provincial Assessor of La Union.

SO ORDERED.

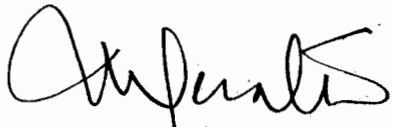


BIENVENIDO L. REYES
Associate Justice

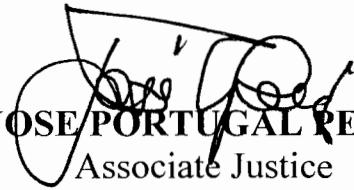
WE CONCUR:



PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson



DIOSDADO M. PERALTA
Associate Justice



JOSE PORTUGAL PEREZ
Associate Justice



MARVIC M.V.F. LEONEN
Associate Justice

ATTESTATION

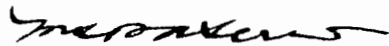
I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



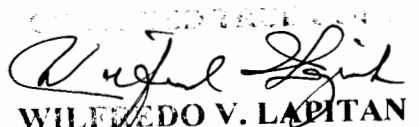
PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

CERTIFICATION

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



MARIA LOURDES P. A. SERENO
Chief Justice



WILFREDO V. LAPITAN
Division Clerk of Court
Third Division

AUG 23 2016

