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MISAEEL DOMINGO C. BATTUNG III
Division Clerk of Court
Third Division

JUL 28 2020



Republic of the Philippines
Supreme Court
Manila

SPECIAL THIRD DIVISION

VSD REALTY & DEVELOPMENT CORPORATION,

G.R. No. 170677

Petitioner,

Present:

- versus -

PERALTA, C.J., Chairperson,
LEONEN,
GISMUNDO,
REYES, J., JR., and
LOPEZ, JJ.

UNIWIDE SALES, INC. and DOLORES BAELO TEJADA,

Promulgated:

Respondents.

March 11, 2020

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RESOLUTION

PERALTA, C.J.:

This case involves a complaint for annulment of title and recovery of possession of property filed by petitioner VSD Realty & Development Corporation (*VSD*) against respondents Uniwide Sales, Inc. (*Uniwide*) and Dolores Baello Tejada (*Baello*). VSD seeks the nullification of Transfer Certificate of Title (*TCT*) No. (35788) 12754 in the name of Baello, and recovery of possession of the property that is being occupied by Uniwide by virtue of a contract of lease with Baello.

In the Court's Resolution¹ dated July 31, 2013, the Court remanded this case to the Court of Appeals for further proceedings to determine which of the parties in this case derived valid title from the legitimate and authentic Original Certificate of Title (*OCT*) No. 994 registered on May 3, 1917 and

¹ CA rollo, pp. 3450-3462.

which of the conflicting claims of title to the subject property should prevail. The *fallo* of the Resolution reads:

Accordingly, the Court hereby remands this case to the Court of Appeals. The Court of Appeals 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.

In determining which of the conflicting claims of title should prevail, the Court of Appeals is directed to establish, based on the evidentiary evidence already on record and other evidence that will be presented in the proceedings before it, the following matter:

- (1) Whether the title of Felisa D. Bonifacio, TCT No. 265777/T-1325, and the title of VSD, TCT No. T-285312, can be traced back to the legitimate and authentic OCT No. 994 dated May 3, 1917;
- (2) Whether Eleuteria Rivera Bonifacio, who allegedly assigned the subject property to Felisa D. Bonifacio, had the right and interest over the subject property, and whether Eleuteria Rivera Bonifacio was entitled to assign her alleged rights and interests over the subject property, known as Lot 23-A-4-B-2-A-3-A, Psd 706, covered by OCT No. 994, to Felisa D. Bonifacio;
- (3) Whether the copy of Felisa D. Bonifacio's TCT No. 265777/T-1325 was tampered with to fraudulently reflect that it was derived from the legitimate and authentic OCT No. 994 dated May 3, 1917;
- (4) Whether respondent Baello's TCT No. (35788) 12754 can be traced back to the legitimate and authentic OCT No. 994 dated May 3, 1917;
- (5) Whether the technical description of the title of Baello covers the subject property; and
- (6) Such other matters necessary and proper in determining which of the conflicting claims of title should prevail.

WHEREFORE, this case is REMANDED to the Court of Appeals for further proceedings in accordance with the two preceding paragraphs of this Resolution.

SO ORDERED.²

Factual Antecedents

On June 8, 1995, petitioner VSD filed with the Regional Trial Court (RTC) of Caloocan City, Branch 126 (*trial court*) a Complaint³ for annulment

² Investigation Report, pp. 1-2.

³ CA *rollo*, pp. 3794-3800.

of title and recovery of possession of property against respondents Uniwide and Baello.⁴

VSD alleged that it is the registered owner of a parcel of land in Caloocan City, with an area of 2,835.30 square meters, more or less, and covered by TCT No. T-285312⁵ of the Register of Deeds of Caloocan City. On September 7, 1994, VSD bought the said property from Felisa Bonifacio, whose title thereto, TCT No. 265777, was registered by virtue of an Order⁶ dated October 8, 1992 of Judge Geronimo S. Mangay, RTC of Caloocan City, Branch 125, authorizing the segregation of two lots, Lot 23-A-4-B-2-A-3-A (the subject property in this case) and Lot 23-A-4-B-2-A-3-B, Psd-706, in Land Registration Commission (LRC) Case No. C-3288, entitled "*In the Matter of Petition for Authority to Segregate an Area of 5,630.1 Sq. mtrs. From Lot 23-A-4-B-2-A-3-B, Psd 706 (Psu-2345) of Maysilo Estate and Issuance of Separate Certificates of Title in the name of Felisa D. Bonifacio.*" VSD alleged that its right to the subject property, and the validity and correctness of the technical description and location of the property are duly established in LRC Case No. C-3288. VSD claimed that its title, TCT No. T-285312, is the correct, valid and legal document that covers the subject property since it is the result of land registration proceedings in accordance with the law.

Petitioner VSD alleged that the technical description of respondent Baello's title, TCT No. (35788) 12754, is so general that it is impossible to determine with certainty the exact location of the property covered by it and the technical description has no legal basis per the records of the Land Management Bureau and the Bureau of Lands. Moreover, Baello's title described the property to be Lot 3-A of subdivision plan Psd-706, but an examination of Psd-706 shows that there is no Lot 3-A in plan Psd-706. Thus, VSD contends that Baello has no legal basis to claim the subject property and Baello's title is spurious and illegal, and should be annulled. Hence, VSD sought recovery of possession of the subject property and the payment of rent from respondents.

In her Answer, Baello alleged that the subject property was bequeathed to her through a will by her adoptive mother, Jacoba Galauran. She alleged that during the lifetime of Jacoba Galauran, the subject property was originally surveyed on January 24-26, 1923⁷ and, thereafter, on December 29, 1924.⁸ Baello alleged that after Jacoba Galauran died in 1952, her will was duly approved by the probate court, the Court of First Instance, Pasig, Rizal. Baello averred that she registered the subject property in her name, and TCT No. (35788) 12754⁹ was issued in her favor on September 6, 1954. In 1959, she

⁴ Referred to as respondent Dolores Baello Tejada in the title of G.R. No. 170677.

⁵ Annex "A"; records, vol. I, p. 9.

⁶ Records, vol. II, pp. 585-586.

⁷ Records, vol. I, p. 196.

⁸ *Id.* at 195.

⁹ Annex "2"; *id.* at 197.

had the subject property surveyed. On July 15, 1988, she entered into a Contract of Lease¹⁰ with respondent Uniwide which erected in full public view the building it presently occupies. Baello stated that she has been religiously paying realty taxes for the subject property,¹¹ and that VSD's complaint should be dismissed as she enjoys a superior right over the subject property because the registration of her title predates the registration of VSD's title by at least 40 years.

On October 2, 2000, the trial court rendered a Decision¹² in favor of petitioner VSD. The trial court held that the evidence for VSD showed that it is the rightful owner of the subject lot covered by TCT No. T-285312 of the Register of Deeds of Caloocan City. The lot was purchased by VSD from Felisa Bonifacio, who became the owner thereof by virtue of her petition for segregation of the subject property from OCT No. 994 of the Register of Deeds of Rizal in LRC Case No. C-3288. TCT No. 265777 was issued to Felisa Bonifacio pursuant to an Order dated October 8, 1992 by the RTC of Caloocan City in LRC Case No. C-3288. The trial court found that the technical description in respondent Baello's title is not the same as the technical description in VSD's title, and that a mere reading of the technical description in VSD's title and that in Baello's title would show that they are not one and the same. Moreover, the technical description of the subject lot in VSD's title is recorded with the Register of Deeds of Caloocan City.¹³

The trial court stated that in the face of documentary and testimonial evidence of competent government witnesses who affirmed VSD's right to the technical description, it was incumbent on Baello to present credible evidence to overcome the same, but she failed to do so. The trial court held that VSD proved its ownership and the identity of the subject property that it sought to recover, which is an essential requisite in its action for annulment of title and recovery of possession of property. The trial court also held that Baello is the holder of a title over a lot entirely different and not in any way related to VSD's title and its technical description. The dispositive portion of the trial court's Decision reads:

WHEREFORE, in the light of the foregoing considerations, judgment is hereby rendered ordering the following:

1. Declaring TCT No. 35788 [12754] to be null and void;
2. Defendant Baello and all persons/entity claiming title under her, including UNIWIDE, to convey and to return the property to plaintiff VSD on the basis of the latter's full, complete, valid and legal ownership;
3. Defendant Baello and UNIWIDE, jointly and severally, to pay a just and reasonable compensation per month of ₱1,200,000.00 with

¹⁰ Annex "1"; *id.* at 65-72.

¹¹ Annexes "4" to "4-H"; *id.* at 201-209.

¹² *Rollo*, vol. I, pp. 78-96.

¹³ Exhibit "F"; records, vol. II, p. 588.

legal interest for the occupancy and use of plaintiff's land from September 12, 1994, until actually vacated by them;

4. Defendants, jointly and severally, to pay attorney's fees of ₱200,000.00.

SO ORDERED.¹⁴

Respondents Uniwide and Baello appealed the trial court's decision to the Court of Appeals.

In a Decision dated May 30, 2005, the Court of Appeals ruled in favor of respondents Uniwide and Baello. The *fallo* of the Decision of the Court of Appeals reads:

WHEREFORE, the assailed Decision of the Regional Trial Court of Caloocan City, Branch 126, in Civil Case No. C-16933 is REVERSED and SET ASIDE and a new one entered DISMISSING the instant complaint.¹⁵

The Court of Appeals stated that the main issue to be resolved was whether or not there was a valid ground to annul Baello's title, TCT No. (35788) 12754, to warrant the reconveyance of the subject property to VSD. The Court of Appeals said that while VSD sought to annul Baello's TCT No. (35788) 12754 on the ground that the same was spurious, it failed to prove that Baello's title was indeed spurious. It held that since there was no legal basis for the annulment of Baello's TCT No. (35788) 12754, the trial court erred in declaring the said title null and void. It stated that a Torrens title is generally conclusive evidence of ownership of the land referred to therein, and a strong presumption exists that it was regularly issued and valid. Hence, the Court of Appeals held that Baello's title enjoys the presumption of validity.

VSD's motion for reconsideration was denied by the Court of Appeals in a Resolution¹⁶ dated December 6, 2005.

VSD filed a petition for review on *certiorari* of the Court of Appeals' decision before this Court. The Court discussed the pertinent issues raised with the main issues: whether or not VSD is entitled to recover possession of the subject property and whether or not the title of Baello may be annulled.

The Court stated that Article 434¹⁷ of the Civil Code provides that to successfully maintain an action to recover the ownership of a real property,

¹⁴ *Rollo*, vol. I, pp. 95-96.

¹⁵ *Id.* at 58.

¹⁶ *CA rollo*, p. 595.

¹⁷ Art. 434. In an action to recover, the property must be identified, and the plaintiff must rely on the strength of his title and not on the weakness of the defendant's claim.

the person who claims a better right to it must prove two (2) things: *first*, the identity of the land claimed; and *second*, his title thereto.¹⁸

As Baello failed to clearly establish that the technical description of her title pertains to the subject property, the Court upheld the decision of the trial court that VSD was able to establish through documentary and testimonial evidence that the technical description of its Torrens title, embodying the identity of the land claimed, covers the property that is being occupied by Uniwide by virtue of a lease contract with Baello, and that a comparison of the technical description of the land covered by the title of VSD and the technical description of the land covered by the title of Baello shows that they are not the same. The dispositive portion of the Court's Decision dated October 24, 2012 reads:

WHEREFORE, the petition is GRANTED. The Decision of the Court of Appeals dated May 30, 2005 and its Resolution dated December 6, 2005, in CA-G.R. CV No. 69824, are REVERSED and SET ASIDE. The Decision of the Regional Trial Court of Caloocan City, Branch 126, in Civil Case No. C-16933 is REINSTATED with MODIFICATION as follows:

(1) Paragraph 1 of the dispositive portion of the Decision dated October 2, 2000 of the Regional Trial Court of Caloocan City, Branch 126, in Civil Case No. C-16933, is deleted;


(2) Respondent Dolores Baello and all persons/entities claiming title under her, including respondent Uniwide Sales, Inc., are ordered to convey and to return the property or the lot covered by TCT No. T-285312 to petitioner VSD Realty and Development Corporation upon finality of this Decision;

(3) Respondent Dolores Baello is ordered to pay just and reasonable compensation for the occupancy and use of the land of petitioner VSD Realty and Development Corporation in the amount of ₱58,333.30 per month from September 12, 1994 until the Decision is final and executory, with legal interest of six percent (6%) per annum reckoned from the filing of the Complaint on June 8, 1995 until the finality of this Decision. Thereafter, respondent Uniwide Sales, Inc. is jointly and severally liable with Dolores Baello for the payment to petitioner VSD Realty and Development Corporation of monthly rental in the amount of ₱58,333.30 from the finality of this Decision until the land is actually vacated, with twelve percent (12%) interest per annum.

(4) The award of attorney's fees is deleted.

No costs.

SO ORDERED.¹⁹



¹⁸ *Spouses Hutchison v. Buscas*, 498 Phil. 257, 262 (2005).
¹⁹ *Rollo*, vol. I, pp. 967-968.

Respondent Baello filed a motion for reconsideration²⁰ of the Court's decision, contending that the Court erred (1) in not holding that petitioner VSD's TCT No. T-285312 is null and void, having been derived from the fake and non-existent OCT No. 994 dated April 19, 1917; (2) when it made a finding that Baello's title (TCT No. [35788] 12754) does not cover the subject property; (3) in finding that VSD was able to prove that it has a better right to the subject property by mere presentation of its TCT No. T-285312 and by showing that the title's technical description correctly described the subject property; (4) in not holding that Baello enjoys a superior right to the disputed property because the registration of her title predated the registration of VSD's title by at least 40 years; and (5) in ordering Baello to pay monthly compensation to VSD.²¹

On February 13, 2013, Baello,²² by counsel, filed a *Motion for Leave and Time to File Judicial Affidavit of Mr. Felino Cortez and Supplemental Motion for Reconsideration (Re: Decision dated 24 October 2012)*.²³ In the said motion, Baello contended that subsequent to the filing of her motion for reconsideration, she discovered new evidence, not available at the time of trial and of the filing of her motion for reconsideration, which established that VSD's TCT No. T-285312 cannot be traced to the legitimate and authentic OCT No. 994; hence, VSD's title is null and void. Baello's daughter, Ma. Bernadette Flores, requested Mr. Felino Cortez, retired and former Director on Registration of the Land Registration Authority (LRA), to conduct an investigation on VSD's TCT No. T-285312. Mr. Cortez examined the documents with the LRA and the Register of Deeds of Caloocan City, and he allegedly found that the copy of Felisa Bonifacio's TCT No. 265777/T-1325 that was presented to the Register of Deeds of Caloocan City, for the purpose of the issuance of VSD's TCT No. T-285312, was tampered to fraudulently reflect that it was derived from the legitimate and authentic OCT No. 994 dated May 3, 1917. It is alleged that the original microfilm copy retained by the LRA shows that the same TCT No. 265777/T-1325 did not originate from the legitimate and authentic OCT No. 994 dated May 3, 1917, but was instead derived from a certain OCT No. 994 dated April 19, 1912. In view of this development, in the interest of justice, and to protect Baello's constitutional right to property, as well as to avoid a conflicting ruling by the Court, Baello begged the indulgence of the Court to grant her motion, which was granted by the Court.²⁴

On March 14, 2013, Baello, by counsel, filed a Supplemental Motion for Reconsideration (Re: Decision dated 24 October 2012)²⁵ on the following grounds: (1) Felisa Bonifacio's TCT No. 265777/T-1325, from which VSD

²⁰ *Rollo*, vol. II, pp. 1019-1067.

²¹ *Id.* at 1019-1021.

²² The Resolution (*id.* at 1078-1078A), dated January 23, 2013, noted the Notice of Death of Baello, who died on June 22, 2012 and who is survived by her heirs, namely, Ma. Bernadette T. Flores, Ma. Cecille T. Novales, and Jose George Tejada.

²³ *Id.* at 1079-1987.

²⁴ Resolution dated February 25, 2013; *id.* at 1089A-1089-B.

²⁵ *Id.* at 1460-1476.

derived its title, is null and void, having been derived from a fake and non-existent OCT No. 994, and Felisa Bonifacio's title cannot be traced back to the legitimate and authentic OCT No. 994 dated May 3, 1917; (2) a careful examination of Baello's TCT No. (35788) 12754 and VSD's TCT No. T-285312 will show that the technical descriptions of the land referred to in those titles both refer to the same parcel of land; and (3) Baello's TCT No. (35788) 12754 can be traced back to the legitimate OCT No. 994 dated May 3, 1917.²⁶

Petitioner VSD was required to file a comment on the motion for reconsideration. In its Comment on the motion for reconsideration and the supplemental motion for reconsideration, VSD contends that a valid title can arise even from an allegedly void title if a buyer in good faith, like VSD, intervenes; that the alleged nullity of its title cannot be raised for the first time on appeal; that additional evidence cannot be presented for the first time on appeal, more so in a motion for reconsideration before the Court; and that respondent Baello failed to prove that her title covers the subject property, among others.

The Court noted that *Manotok Realty, Inc. v. CLT Realty Development Corp.*²⁷ ruled that there is only one OCT No. 994, which is correctly registered on May 3, 1917, and that any title that traces its source to OCT No. 994 dated April [19],²⁸ 1917 is void, for such mother title is inexistent.

Considering the importance of protecting our Torrens system from fake land titles and deeds, and in the interest of justice, the Court, which is not a trier of facts, issued the Resolution dated July 31, 2013, remanding the case to the Court of Appeals for further proceedings to determine which of the parties derived valid title from the legitimate OCT No. 994 registered on May 3, 1917, and who is entitled to claim ownership over the disputed lot.

Pursuant to the Internal Rules of the Court of Appeals, the case was raffled station wide to Associate Justice Carmelita S. Manahan for completion and report, since the ponente of the Decision of the Court of Appeals dated May 30, 2005, Associate Justice Aurora Santiago-Lagman, had already retired from the service. The other members who composed this Special Division²⁹ were Associate Justices Jafar B. Dimaampao (Chairperson) and Elihu A. Ybañez.

²⁶ *Id.* at 1462-1463.

²⁷ 565 Phil. 59 (2007).

²⁸ Through advertence, the number "17" appeared in the original; footnote * in *Manotok Realty, Inc., et al. v. CLT Realty Dev't. Corp.*, 601 Phil. 571, 582 (2009).

²⁹ CA rollo, p. 2403; permanent composition of the Special Division established.

The Court of Appeals (Special Division) submitted to this Court its Investigation Report dated May 22, 2017, which gave an account of the proceedings conducted before it and its findings on the issues to be resolved.

Proceedings before the Court of Appeals (Special Division)

On March 3, 2014, Baello filed with the Court of Appeals a Motion to Set Case for Reception of Evidence³⁰ citing as basis the Resolution dated July 31, 2013 of this Court. On July 25, 2014, the Court of Appeals issued a Resolution³¹ directing the parties to appear for hearing and to produce their respective evidence in accordance with A.M. No. 12-8-8-SC (Judicial Affidavit Rule) in order to resolve the issues under consideration.

On August 8, 2014, VSD filed a Manifestation with Urgent Omnibus Motion,³² raising procedural concerns, particularly the return of the case to the original handling Justice and for the suspension/cancellation of the scheduled hearing.

On October 8, 2014, the Court of Appeals issued a Resolution³³ denying VSD's Omnibus Motion for the suspension/cancellation of hearing in view of this Court's Resolution dated July 23, 2014, which denied VSD's pending motion for reconsideration with finality, *inter alia*.³⁴

Thereafter, hearing for the presentation of evidence ensued.

Evidence for respondent Baello

The Court of Appeals reported thus:

Baello proffered the Judicial Affidavit (79 Questions and Answers) and Reply Affidavit (24 Questions and Answers) of Engr. Felino M. Cortez, as her expert witness, to testify on the following matters, to wit:

1. Engr. Cortez is a geodetic engineer with specialization in surveying, titling and land registration procedures and an expert in the field of geodetic engineering and qualified to testify as an expert witness in matters relating to the said field.
2. The technical description contained in Dolores Baello Tejada's ("Ms. Baello") Transfer Certificate of Title ("TCT") No. (35788) 12754 and the technical description contained in VSD Realty &

³⁰ *Id.* at 685-690.

³¹ *Id.* at 692-694.

³² *Id.* at 707-713.

³³ *Id.* at 1146-1149.

³⁴ Investigation Report, p. 3.

Development Corporation's ("VSD") TCT No. 285312 cover the SAME parcel of land.

3. VSD's TCT No. 285312 originated from a void and non-existent Original Certificate of Title No. 994.
4. VSD's TCT No. 285312 was derived from Felisa Bonifacio's TCT No. 265777/T-1325.
5. The microfilm of TCT No. 265777/T-1325 in the Micrographic and Computer Division of the Land Registration Authority and TCT No. 265777/T-1325 on file with the [R]egister of Deeds of Caloocan City bear different original registration dates.
6. Felisa Bonifacio's TCT No. 265777/T-1325 on file with the Register of Deeds of Caloocan City has been tampered.
7. Ms. Baello is the legitimate owner of the property covered by the technical description in TCT No. (35788) 12754.³⁵

In the course of Baello's presentation of evidence, the Court of Appeals and the parties found it necessary to be produced in court for authentication and/or verification the original of the following titles: (a) OCT No. 994 dated May 3, 1917; (b) TCT No. 10300/T-42 (reconstituted title); (c) TCT No. 10300/T-42 (original title); (d) TCT No. 10301; (e) TCT No. 10302; (f) TCT No. 10303; (g) TCT No. 285312; (h) TCT No. 265777/T-1325; (i) TCT No. 8164; (j) TCT No. (35788) 12754; (k) TCT No. 8160; (l) TCT No. 8059; and (m) TCT No. 8004.³⁶

On October 31, 2014, the Court of Appeals issued an Order³⁷ directing the issuance of a *subpoena duces tecum ad testificandum* to the LRA Administrator and/or the Register of Deeds of Caloocan City.

In the hearing held on November 25, 2014, LRA-Chief Property Officer Robert Paul Ancheta appeared before the Court of Appeals and presented the original copy of OCT No. 994 dated May 3, 1917 and answered clarificatory questions in relation thereto. Thereafter, Register of Deeds of Caloocan City-Acting Records Officer (ARO) Jose Benigno Diaz appeared in the same hearing and presented the original of the following land titles: (1) TCT No. (35788) 12754, registered in the name of Baello; (2) TCT No. 285312, registered in the name of VSD; and (3) TCT No. 265777/T-1325, registered in the name of Felisa Bonifacio.³⁸

On even date, the Court of Appeals issued an Order³⁹ requiring ARO Diaz to bring Title Nos. 8164, 8160, 8059 and 8004 (predecessor titles of TCT

³⁵ *Id.* at 3-4.

³⁶ *Id.* at 4.

³⁷ CA *rollo*, pp. 1207-1209.

³⁸ Investigation Report, p. 5.

³⁹ CA *rollo*, pp. 1883-1885.

No. 8318 in the name of Teodoro Jacinto, Baello's predecessor-in-interest), in the hearing scheduled on December 3, 2014. The appellate court also directed the issuance of a *subpoena duces tecum ad testificandum* to Mila G. Flores, retired Register of Deeds of Caloocan City, to appear and testify on matters relating to the issuance of Felisa Bonifacio's TCT No. 265777/T-1325 in the hearing scheduled on January 14, 2015.⁴⁰

In the hearing of December 9, 2014, ARO Diaz presented a certified true copy of Baello's TCT No. (35788) 12754. He testified that TCT Nos. 8004, 8059, 8160 and 8164 are not in the records of the Registry of Deeds of Caloocan City. He assumed that the said TCTs are in the possession of the Register of Deeds of Binangonan, Rizal from where the titles originated.⁴¹

In the hearing held on January 14, 2015, the Court of Appeals was notified that the *subpoena duces tecum ad testificandum* issued to secure the presence of Mila G. Flores was returned unserved because she could no longer be located in her last known address.⁴²

On February 18, 2015, Baello filed a Manifestation⁴³ averring that she was able to obtain machine copies of the certified true copies of TCT Nos. 8004, 8059, 8160 and 8164, which were the very titles utilized in *Phil-Ville Dev't. and Housing Corp. v. Bonifacio, et al.*⁴⁴ On March 2, 2015, the Court of Appeals issued an Order⁴⁵ directing the issuance of a *subpoena duces tecum ad testificandum* to the Register of Deeds of Binangonan, Rizal, Register of Deeds of Antipolo City, and Register of Deeds of Marikina City.⁴⁶ In the hearing of March 11, 2015, it was established that the original of TCT Nos. 8004, 8059, 8160 and 8164 were not in the custody or possession of the Registry of Deeds of Caloocan City, Registry of Deeds of Binangonan, Rizal, Registry of Deeds of Antipolo City and Registry of Deeds of Marikina City.⁴⁷

The evidence for Baello consisted of the following: Baello's TCT No. (35788) 12754; VSD's TCT No. T-285312; OCT No. 994 dated May 3, 1917; TCT No. 10300/T-42; original of the plan showing the relative position of Lot 3-A in relation to its location in Lot 23-A, Psu-2345; certified true copy of TCT No. 8318; original of the plan showing the subdivision of Lot 3 into four (4) lots; certified true copy of TCT No. 265777/T-1325 (Felisa Bonifacio's title); certified true copy of the microfilm of TCT No. 265777/T-1325 (Felisa Bonifacio's title) on file in the Micrographic and Computer Division of the LRA; original of the plan showing the location of the property covered by Baello's title and VSD's title based on the technical descriptions indicated in

⁴⁰ Investigation Report, p. 5.

⁴¹ *Id.*

⁴² *Id.* at 6.

⁴³ CA *rollo*, pp. 2060-2063.

⁴⁴ 666 Phil. 325 (2011).

⁴⁵ CA *rollo*, pp. 2091-2092.

⁴⁶ Investigation Report, p. 6.

⁴⁷ *Id.*

their respective titles; original plan showing the technical description of Baello's title; original plan showing the technical description of VSD's title; certified true copy of OCT No. 994 issued by the LRA consisting of 18 pages; certified true copy of TCT No. 10300/T-42 on file with the Register of Deeds; certified true copy of Decree No. 36455 with Case No. 4429 issued by the LRA consisting of 29 pages; Judicial Affidavit of Engr. Felino M. Cortez dated August 11, 2014; Department of Justice Report dated August 28, 1997 mentioned in *Phil-Ville Dev't. and Housing Corp. v. Bonifacio, et al.*;⁴⁸ certified true copy of TCT No. 10301; certified true copy of TCT No. 10302; certified true copy of TCT No. 10303; certified true copy of the 2nd Indorsement dated March 12, 1984 issued by the Minister of Justice; Reply-Affidavit dated February 13, 2014 of Engr. Cortez; photocopy of certified print microfilm of TCT No. 8004; photocopy of certified print microfilm of TCT No. 8059; photocopy of certified print of TCT No. 8160; and photocopy of print microfilm of TCT No. 8164.⁴⁹

The Court of Appeals took notice of this Court's Decision in *Syjuco, et al. v. Bonifacio, et al.*,⁵⁰ promulgated on January 14, 2015. The parties were directed to file their manifestation regarding the impact of the said Decision on this case. VSD essentially opined in its Manifestation/Compliance⁵¹ dated September 10, 2015 that the said case bears no effect on the proceedings. Baello averred in her Manifestation,⁵² dated September 25, 2015, that the Court of Appeals should take judicial notice of this Court's pronouncements in *Syjuco, viz.:*

- a) That the true and valid OCT No. 994 was registered on May 3, 1917, not on April 19, 1917;
- b) That any title that traces its source to April 19, 1917 is deemed void and inexistent; and
- c) That the Office of the Solicitor General's findings regarding the defects in the titles in the Syjuco case took into account the findings of the Department of Justice and the Senate Committees.⁵³

Evidence for petitioner VSD

The Court of Appeals reported that on November 26, 2015, VSD commenced the presentation of its evidence. VSD proffered the Judicial Affidavit⁵⁴ of Engr. Godofredo Limbo, Jr., as its expert witness, to prove, among others, the following:

⁴⁸ *Supra* note 44.
⁴⁹ *Id.* at 7-8.
⁵⁰ 750 Phil. 443 (2015).
⁵¹ CA *rollo*, pp. 2522-2529.
⁵² *Id.* at 2540-2557.
⁵³ Investigation Report, p. 9.
⁵⁴ CA *rollo*, pp. 1077-1104.

1. Engr. Godofredo Limbo, Jr. is an engineer by profession with expertise in surveying, titling and land registration procedure and is qualified to testify as an expert witness in matters relating to said fields.
2. Transfer Certificate of Title No. (35788) 12754 in the name of Dolores Baello cannot be traced back to the legitimate and authentic OCT No. 994 dated May 03, 1917.
3. The discrepancies in the Baello Title and its predecessor/source titles that cast a cloud of doubt on the genuineness of the title.
4. TCT No. 285312 in the name of VSD Realty and Development Corporation and the Baello Title do not cover the same property.
5. The property covered by TCT No. 265777 in the name of Felisa Bonifacio, from which the VSD title was sourced, is a property within the property covered by Original Certificate of Title No. 994 dated 03 May 1917.
6. Identification and authentication of documents.⁵⁵

The evidence for VSD consisted of the following: TCT No. T-285312 (VSD's title); TCT No. 265777/T-1325 (Felisa Bonifacio's title); the Order dated October 8, 1992 in the case entitled, "*In the Matter of Petition for Authority to Segregate an Area of 5,630.1 Sq. mtrs. From Lot 23-A-4-B-2-A-3-B, Psd-706 (Psu-2345) of Maysilo Estate and Issuance of Separate Certificates of Title in the Name of Felisa D. Bonifacio,*" docketed as LRC Case No. C-3288; Technical Description of Lot 23-A-4-B-2-A-3-A prepared on June 20, 1990; Petition dated January 6, 1992 in the Bonifacio LRC Case; Certificate of Finality dated April 6, 1993 in the Bonifacio LRC Case; OCT No. 994 dated May 3, 1917; *Curriculum Vitae* of Engr. Limbo; copy of TCT No. (35788) 12754 in the name of Baello; photograph taken during the ocular inspection of Engr. Limbo showing the southwest portion of the property subject of litigation; LRA issued TCT No. 10300/T-42; TCT No. 10300/T-42 (with typographical differences from Exhibits "N" and "V"); TCT No. 8318 (marked as Exhibit "6" of Engr. Cortez's Affidavit); TCT No. 8318 issued by the LRA; Figures 1 to 4: in Engr. Limbo's Reply-Affidavit; Engr. Cortez's Judicial Affidavit dated March 14, 2013 filed with the Supreme Court; Letter dated October 13, 2014 from Eng. Bienvenido Cruz of the Land Management Bureau; Letter dated October 22, 2014 from the Chief of the Regional Surveys Division of the Land Surveys Records of the Department of Environment and Natural Resources; certified true copy of TCT No. 10301; certified true copy of TCT No. 10302; certified true copy of TCT No. 10303; OCT No. 8160 in the name of Eustaquio S. Abad; TCT No. N-8160 dated June 17, 1976 in the names of Santiago Valmonte and Concordia Ortiz Valmonte; TCT No. 8004 dated June 11, 1976 in the name of Jaybee Real Estate Corporation; TCT No. 8164 dated June 17, 1976 in the names of Loreto T. Cristi, Amada de Vera, Pilar Cristi, Trinidad C. Javier and Enrique T. Cristi; Judicial Affidavit of

⁵⁵ Investigation Report, pp. 9-10.

Engr. Limbo; Reply Affidavit of Engr. Limbo; Plat of Lot 3A (based on the technical description of TCT No. 10300).⁵⁶

Thereafter, the Court of Appeals evaluated the evidence of the parties based on the issues to be resolved, thus:

I.

Whether the title of Felisa D. Bonifacio, TCT No. 265777/T-1325, and the title of VSD, TCT No. T-285312, can be traced back to the legitimate and authentic OCT No. 994 dated May 3, 1917[;]

x x x x

II.

Whether Eleuteria Rivera Bonifacio, who allegedly assigned the subject property to Felisa D. Bonifacio, had the right and interest over the subject property, and whether Eleuteria Rivera Bonifacio was entitled to assign her alleged rights and interests over the subject property, known as Lot 23-A-4-B-2-A-3-A, Psd 706[, covered] by OCT No. 994, to Felisa D. Bonifacio[;]

x x x x

III.

Whether the copy of Felisa D. Bonifacio's TCT No. 265777/T-1325 was tampered with to fraudulently reflect that it was derived from the legitimate and authentic OCT No. 994 dated May 3, 1917[;]

x x x x

IV.

Whether respondent Baello's TCT No. (35788) 12754 can be traced back to the legitimate and authentic OCT No. 994 dated May 3, 1917[;]

x x x x

V.

Whether the technical description of the title of Baello covers the subject property[; and]

x x x x

VI.

Whether VSD is a purchaser for value and in good faith[.]⁵⁷

Findings of the Court of Appeals (Special Division)

We shall now discuss the evaluation/findings of the Court of Appeals on the aforementioned issues, starting with the first three issues that touch on the validity of the respective titles of petitioner VSD and Felisa Bonifacio.

⁵⁶ *Id.* at 11-12.

⁵⁷ *Id.* at 13-43.

I. *Whether the title of Felisa D. Bonifacio, TCT No. 265777/T-1325, and the title of VSD, TCT No. T-285312, can be traced back to the legitimate and authentic OCT No. 994 dated May 3, 1917;*

II. *Whether Eleuteria Rivera Bonifacio, who allegedly assigned the subject property to Felisa D. Bonifacio, had the right and interest over the subject property, and whether Eleuteria Rivera Bonifacio was entitled to assign her alleged rights and interests over the subject property, known as Lot 23-A-4-B-2-A-3-A, Psd 706, covered by OCT No. 994, to Felisa D. Bonifacio; and*

III. *Whether the copy of Felisa Bonifacio's TCT No. 265777/T-1325 was tampered with to fraudulently reflect that it was derived from the legitimate and authentic OCT No. 994 dated May 3, 1917.*

Based on the Investigation Report of the Court of Appeals, VSD's title, TCT No. T-285312, can be traced back to OCT No. 994 registered on May 3, 1917, but VSD's title was derived from Felisa Bonifacio's tampered TCT No. 265777/T-1325. Moreover, Felisa Bonifacio could not validly sell the lot to VSD because her predecessors-in-interest, Eleuteria Rivera Bonifacio and Maria de la Concepcion Vidal, did not have a legal right to the subject property, since the shares of Maria de la Concepcion Vidal in the Maysilo Estate were Lot 6 and portions of Lots 10 and 17, but not Lot 23-A from which the subject property, Lot 23-A-4-B-2-A-3-A, originated.

VSD derived its title to the disputed lot from Felisa Bonifacio through a sale on September 7, 1994. Felisa Bonifacio's title, TCT No. 265777/T-1325, was issued by the Register of Deeds of Caloocan City on March 29, 1993, pursuant to the Order dated October 8, 1992 of Judge Geronimo S. Mangay, RTC of Caloocan City, Branch 125, in LRC Case No. C-3288, entitled "*In the Matter of Petition for Authority to Segregate an Area of 5,630.1 Sq. mtrs. From Lot 23-A-4-B-2-A-3-B, Psd-706 (Psu-2345) of Maysilo Estate and Issuance of Separate Certificates of Title in the Name of Felisa D. Bonifacio.*" The Order dated October 8, 1992 in LRC Case No. C-3288 is inscribed⁵⁸ in OCT No. 994 registered on May 3, 1917.

⁵⁸ The inscription is identified as Entry No. 283598/T-994 (Exhibit X-1), viz.:

The Court of Appeals reported that no new evidence was presented to establish the historical origin of Felisa Bonifacio's title. However, based on the findings contained in the Order dated October 8, 1992 of Judge Geronimo S. Mangay, RTC of Caloocan City, Branch 125, in LRC Case No. C-3288, Felisa Bonifacio's title stemmed from Eleuteria Rivera Bonifacio through a Deed of Assignment, *viz.*:

From the evidence presented the Court finds that in Case No. 4557 for Petition for Substitution of Names, in the Court of First Instance of Rizal Branch 1, the then Presiding Judge Cecilia Munoz Palma, issued an order dated May 25, 1962 (EXHIBIT "N") substituting Maria de la Concepcion Vidal as one of the registered owners of several parcels of land forming the Maysilo Estate and covered by among others Original Certificate No. 994 of the Register of Deeds of Rizal with among others Eleuteria Rivera Bonifacio to the extent of 1/6 of 1-189/1,000 per cent of the entire Maysilo Estate. **On January 29, 1991 Eleuteria Rivera Bonifacio executed in favor of Felisa D. Bonifacio, herein petitioner a Deed of Assignment (EXHIBIT "M") assigning all her rights and interests over Lot 23-A-4-B-2-A-3-A, Psd 706 and Lot 23-A-4-B-2-A-3-B, Psd 706, both lots being covered by O.C.T.] 994 of the Register of Deeds of Rizal.** That even prior to the execution of the Deed of Assignment but while negotiations with Eleuteria Rivera Bonifacio were going on, petitioner already requested the Lands Management Sector, Department of Environment and Natural Resources, National Capital Region, to prepare and issue the technical description of the two lots subject of this petition. As requested by petitioner, Elpidio T. de Lara, Chief, Technical Services Section, Lands Management Sector, DENR, NCR, issued on June 20, 1990 two technical descriptions (EXHIBIT "J" and "K") covering the two lots. After the issuance of the technical descriptions, the petitioner requested Geodetic Engineer Jose R. Rodriguez to prepare a sketch plan of the two lots subject of this petition. As requested, Engr. Rodriguez prepared a sketch plan (EXHIBIT "L") based from exhibits "J" and "K" which was submitted to the Land Management Services, formerly Bureau of Lands for Verification and Checking. That Mr. Benjamin V. Roque, Chief, Topographic and Special Map Section, Land Management Services, formerly Bureau of Lands, certified on July 31, 1992 that the sketch plan (EXHIBIT "L") is a true and correct plan of Lots 23-A-4-B-2-A-3-A and 23-A-4-B-2-A-3-B both on Psd-760.⁵⁹ (Emphasis in the original)

Further, based on the entries in OCT No. 994 dated May 3, 1917, Eleuteria Rivera Bonifacio's title can be traced back to the original owners thereof, to wit:

"Entry No. 283598/T-994 - ORDER of the Regional Trial Court, National Capital Region, Br., -- LRC Case No. C-3288 directing the Register of Deeds to issue two (2) New Titles in favor of Felisa Bonifacio base[d] on approved Plan Psd-706 without further presenting the owner's duplicate Certificate of Title thereof (PE#286677) and by virtue of which TCT No. T-265778 & 265779 T-1325 is issued for Lot 23A-4-B-2A-3-A & Lot 23A-4-B-2A-3-B Psd-760 respectively.

Date of Instrument: October 8, 1992

Date of Inscription: March 29, 1993 at 3:20 P.M.

MILA G. FLORES
Register of Deeds." (*Id.* at 14; emphasis in the original.)

Entry No. 48542 File T-104230 - ORDER. In compliance with the order of the Court of First Instance of Rizal in Case No. 4557, the name of "Maria Concepcion Vidal, xxx years of age" is hereby cancelled and in lieu thereof the following are substituted: "1. Bartolome Rivera, widower, 1/3 of 1-189/1000 per cent; 2. Eleuteria Rivera Bonifacio, married to Hermogenes Bonifacio - 1/6 of 1-189/1000 per cent; Josefa R. Aquino, married to Leoncio Caiña - 1/9 of 1-189/1000 per cent; Gregorio Aquino/Rosauro Aquino married to xxx Tolentino 1/9 of the 1-189/1000 per cent; Pelagia R. Angeles, married to xxx Benedicto - 1/30 of 1-189/1000%; Modesta R. Angeles, of legal age, married 1/30 of 1-189/1000%; Venancio R. Angeles of legal age, married 1/30 of 1-189/1000%; Felipe R. Angeles of legal age, married 1/30 of 1-189/1000%; Fidela R. Angeles of legal age, single 1/30 of 1-189/1000%.

Date of the instrument: May 25, 1962.

Date of the inscription: June 1, 1962 -9:27a.m.
(Emphasis supplied.)

x x x x

Entry No. 44905/0-994 - Issuance of Co-owner's copy: By order of the Court of the 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 2, 1962 at 3:15 p.m.

x x x x

Original Certificate of Title No. 994, Office of the Register of Deeds for the Province of Rizal, Entered pursuant to the following Decree, "Decree No. 36455", United States of America, Court of Land Registration, "Case No. 4199", x x x Therefore, it is ordered by the Court that said land be registered in accordance with the provisions of the Land Registration Act in the name of said Isabel Gil de Sola y Valdez, as judicial administratrix of the estate of the deceased Gonzalo Tuason, Jose Rate y Tuason, Luis Vidal y Tuason, Concepcion Vidal y Tuason, Pedro Baños, **Maria de la Concepcion Vidal**, Bernardino Hernandez y Alvarez, Trinidad Jurado y Sarmiento, Aurora Tuason y Vicente, Isabel Tuason y Chua-Jap, Juan Jose Tuason y de la Paz, Maria Teresa Tuason y de la Paz, Mariano Sevaro Tuason y de la Paz, Demetrio Asuncion Tuason y de la Paz, Augusto Huberto Tuason y de la Paz, Maria Soterraña Tuason y de la Paz, Benito Legarda y de la Paz, Consuelo Legarda y de la Paz, Rita Legarda y de la Paz, Benito Legarda y Tuason, Emilia Tuason y Patiño, Maria Rocha y Tuason, German Franco y Gonzalez, Domingo Franco y Gonzalez, Concepcion Franco y Gonzalez, Vicenta Ferrer y Tuason, Josefa Ferrer viuda de Flores, Sofia O' Farrel y Patiño, Maria Eloisa O' Farrel y Patiño[,] Angel O' Farrel y Patiño, Juan O' Farrel y Patiño, and the Sons and Heirs of Filemon Tuason subject, however, to such of the encumbrances mentioned in article 39 of said Law as may be subsisting and to the following conditions: - (a) that the share belonging to **Maria de la Concepcion Vidal** in said lands remain subject to the usufructuary rights of her mother, **Mercedes Delgado**, during her natural life; (b) that the shares belonging to German Franco y Gonzalez, Domingo Franco y Gonzalez and Concepcion Franco y Gonzalez in said lands remain subject

to the usufructuary rights of their mother Concepcion Gonzalez, during her natural life.

Witnesseth: the Honorable Norberto Romualdez, Associate, Judge of said Court, the 3rd day of December, A.D. nineteen hundred and twelve.

Issued at Manila, P.I., the 19th day of April, A.D. 1917 at 9:00 A.M.

Received for transcription at the office of the Register of Deeds for the Province of Rizal this third day of May, nineteen hundred and seventeen at 7:30 A.M.⁶⁰ (Emphasis supplied)

Thus, the Court of Appeals reported that VSD's title (TCT No. T-285312) is derived from Felisa Bonifacio's title (TCT No. 265777/T-1325), who in turn derived her title from Eleuteria Rivera Bonifacio whose supposed right over Lot 23-A-4-B-2-A-3-A was derived from Maria de la Concepcion Vidal.⁶¹

However, the Court of Appeals stated that **Maria de la Concepcion Vidal had no right over Lot 23-A, from which the subject property, Lot 23-A-4-B-2-A-3-A, originated, because her share in the Maysilo Estate pertained to Lot 6 and portions of Lots 10 and 17.** Thus, Eleuteria Rivera Bonifacio had no right to substitute Maria de la Concepcion Vidal over Lot 23-A, and Eleuteria Rivera Bonifacio could not validly convey any right to Lot 23-A or the subject property, known as Lot 23-A-4-B-2-A-3-A, Psd-706, covered by OCT No. 994, to Felisa Bonifacio by Deed of Assignment.

The Court of Appeals said:

In *Phil-Ville Housing and Development Corporation v. Bonifacio* (2011), the Supreme Court, Third (3rd) Division already concluded that Maria de la Concepcion Vidal has no share in Lot 23-A, viz:

Moreover, the Partition Plan of the Maysilo Estate shows that **Lot 23-A was awarded, not to Maria de la Concepcion Vidal, but to Isabel Tuason, Esperanza Tuason, Trinidad Jurado, Juan O Farrell and Angel O Farrell.** What Vidal received as her share were Lot 6 and portions of Lots 10 and 17, all subject to the usufructuary right of her mother Mercedes Delgado. This was not at all disputed by respondents.

This finding is supported by the Department of Justice's August 18, 1997 Committee Report (Exhibit "20") which ascertained that Maria de la Concepcion Vidal's share in the Maysilo Estate pertains to Lot 6 and portions of Lots 10 and 17 only based on the document *Proyecto de Particion de la Hacienda de Maysilo* dated June 12, 1917.

⁶⁰ *Id.* at 15-17.

⁶¹ *Id.* at 17.

Applying the foregoing, Felisa D. Bonifacio's claim of ownership over Lot 23-A-4-B-2-A-3-A is highly anomalous. Maria de la Concepcion Vidal did not have an interest or right over Lot 23-A pursuant to the *Proyecto de Particion de la Hacienda de Maysilo*. In that regard, Eleuteria Rivera Bonifacio could not have acquired title over Lot 23-A by mere substitution. And, what Eleuteria Rivera Bonifacio did not acquire, she cannot convey by Deed of Assignment to Felisa D. Bonifacio.

Furthermore, in *Syjuco v. Bonifacio* (2015), the Supreme Court First (1st) Division, relying on the Phil-Ville case, held, *viz*:

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

The foregoing pronouncement is in light of the CFI of Rizal's Order dated May 25, 1962 in LRC Case No. 4557 which allowed the substitution of Eleuteria Rivera Bonifacio *et al.* in lieu of Maria de la Concepcion Vidal. Considering that it is physically impossible for Eleuteria Rivera Bonifacio to be an heir of Maria de la Concepcion Vidal, this compounds the proposition that Eleuteria Rivera Bonifacio could not have validly assigned her purported rights over the subject lot to Felisa D. Bonifacio.⁶² (Emphasis in the original, citations omitted)

Moreover, the Court of Appeals found that Felisa Bonifacio's TCT No. 265777/T-1325 was tampered to reflect that it was derived from the authentic OCT No. 994 registered on May 3, 1917. It reported:

TCT No. 265777/T-1325 [Exhibit "8"[]] for Baello (obtained December 5, 2012) and Exhibit "B" for VSD (no [date] specified), faithful reproductions of certified true copies of said TCT issued by the Register of Deeds of Caloocan [C]ity, were compared with the machine copy of a certified print copy of the microfilm of Certificate Title No. 265777/T-1325 registered under the name (F)elisa Bonifacio, microfilmed on February 22, 1994 at the Register of Deeds of Caloocan City.

A comparison of TCT 265777/T-1325 presently on file in the Caloocan Registry of Deeds and the microfilmed version in the Micrographic and Computer Division of the Land Registration Administration (LRA) yields evident alteration or tampering in the Certification of Registration portion thereof.

The certification of registration portion of the Caloocan issued TCT No. 265777/T-1325 reads:

"IT IS FURTHER CERTIFIED that said land was originally registered on the 3rd day of May in the year nineteen hundred and seventeen in the Registration Book of the Office of the Register of Deeds

⁶²*Id.* at 19-20.

of Rizal Volume A-9-A page 226 as Original Certificate of Title No. 994 pursuant to Decree No. 36455 issued in L.R.C. _____ Record No. 4429 in the name of _____.

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

Entered at _____ Caloocan City
Philippines on the 29th day of March
In the year nineteen hundred and ninety-three
At 3:20 p.m.”

On the other hand, the certification of registration portion of the microfilm copy of TCT No. 265777/T-1325 reads:

“IT IS FURTHER CERTIFIED that said land was originally registered on the 19th day of April in the year nineteen hundred and twelve in the Registration Book of the Office of the Register of Deeds of Manila Volume _____ page _____ as Original Certificate of Title No. 994 pursuant to Decree No. 36455 issued in L.R.C. _____ Record No. 4429 in the name of _____.

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

Entered at _____ Caloocan City
Philippines on the 29th day of March
In the year nineteen hundred and ninety-three
At 3:20 p.m.”⁶³ (Emphases and underscores
in the original)

Further, the Court of Appeals stated that in his Judicial Affidavit,⁶⁴ Engr. Cortez testified and imparted his opinion on the discrepancies between the two versions of TCT No. 265777/T-1325, to wit:

D. TAMPERING OF TITLE

44. Q: You previously mentioned that you conducted an investigation of VSD's TCT No. 285312, what was the result of your investigation, if any?

A: I found out that VSD's TCT No. 285312 is derived from Felisa Bonifacio's TCT No. 265777/T-1325. When I checked Felisa Bonifacio's TCT No. 265777/T-1325 on file with the Register of Deeds of Caloocan City, I found irregularities.

x x x x

45. Q: What irregularities did you discover in Felisa Bonifacio's TCT No. 265777/T-1325 on file with the Register of Deeds of Caloocan City?

⁶³ *Id.* at 20-21.

⁶⁴ CA rollo, pp. 769-809.

A: The copy of Felisa Bonifacio's TCT No. 265777/T-1325 now on file with the Register of Deeds of Caloocan City is not the same as the microfilm of the same title on file in the Micrographic and Computer Division of the LRA.

46. Q: How is the copy of Felisa Bonifacio's TCT No. 265777/T-1325 now on file with the Register of Deeds of Caloocan City different from the microfilm of the same title on file in the Micrographic and Computer Division of the LRA?

A: The microfilm of Felisa Bonifacio's TCT No. 265777/T-1325 on file in the Micrographic and Computer Division of the LRA states that the land covered by said title was originally registered on 19 April 1912 as OCT No. 994.

On the other hand, the copy of Felisa Bonifacio's TCT No. 265777/T-1325 on file with the Register of Deeds of Caloocan City indicates that the land covered by said title was originally registered on 3 May 1917 as OCT No. 994.

46.1. Q: You said that the microfilm of Felisa Bonifacio's TCT No. 265777/T-1325 on file in the Micrographic and Computer Division of the LRA and the one on file with the Register of Deeds are different. If a copy of the microfilm of Felisa Bonifacio's TCT No. 265777/T-1325 on file in the Micrographic and Computer Division of the LRA is shown to you, will you be able to identify the same?

A: Yes.

46.2. Q: I am showing to you a certified true copy of the microfilm of Felisa Bonifacio's TCT No. 265777/T-1325 on file with the Micrographic and Computer Division of the LRA consisting of two (2) pages, which is attached to this Judicial Affidavit as Exhibit "9" and made an integral part thereof. What is the relation of this document to the microfilm of TCT No. 265777-T-1325 you previously mentioned?

A: It is the same document. It is a faithful reproduction of the certified true copy of the document I mentioned.

X X X X

47. Q: You mentioned that the copy of Felisa Bonifacio's TCT No. 265777/T-1325 now on file with the Register of Deeds and the microfilm of the same title on file with the Micrographic and Computer Division of the LRA state different dates on when the land was originally registered as OCT 994, what is the significance of the difference in dates, if any?

A: In the case of *Phil-Ville Development Housing Corp. v. Maximo Bonifacio, [et al.] and Manotok Realty, Inc., and Manotok Estate Corporation vs. CLT Realty Development Corporation*, the Supreme Court held that "that there is only one OCT No. 994" and the same "was received for transcription by the Register of Deeds on 3 May 1917." Thus, in order to guide the proceedings before the Special Division which was tasked to hear and receive evidence, the Supreme Court laid down the following definitive conclusions:

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

x x x x

48. Q: In the course of your investigation of VSD's TCT No. 285312, what other irregularities did you find, if any?

A: In Felisa Bonifacio's TCT No. 265777/T-1325 that was reproduced from the microfilm of the same title on file with the LRA, it states that the land was originally registered in the Registration Book of the Office of the Register of Deeds of Manila and the volume and page no. are left blank. On the other hand, Felisa Bonifacio's TCT No. 265777/T-1325 now on file with the Register of Deeds of Caloocan states that the land was originally registered in the Registration Book of the Office of the Register of Deeds of Rizal and the volume and page number have corresponding entries.

In addition, in Felisa Bonifacio's TCT No. 265777/T-1325 on file with the LRA and the Register of Deeds, it states that the title was directly derived from OCT No. 994.

49. Q: Why do you say that the above entries are irregular?

A: First, they are irregular because the entries appearing in the microfilm of Felisa Bonifacio's TCT No. 265777/T-1325 on file with the LRA and the one on file with the Register of Deeds of Caloocan are not the same. Second, the microfilm of Felisa Bonifacio's TCT No. 265777/T-1325 on file with the LRA does not have the volume and page no. as entered in the Registration Book. Lastly, it states that Felisa Bonifacio's TCT No. 265777/T-1325 was derived directly from OCT 994, which is impossible considering that Lot 23-A has already been subdivided many times.

50. Q: Why do you say that Lot 23-A has been subdivided many times?

A: One of the lots covered by OCT 994 is Lot 23-A. On the other hand, the lot covered by Felisa Bonifacio's TCT No. 265777/T-1325 is referred to as Lot 23-A-4-B-2-A-3-A. A look at the lot description, referred to as Lot 23-A-4-B-2-A-3-A, shows that it has been subdivided many times. Every time a lot is subdivided, a corresponding number and/or letter is added to the lot description and a certificate of title is issued in favor of the owner. As an illustration, when Lot 23-A referred to in OCT 994 was subdivided, a number, in this case, the number 4, was added to the lot description. When it was further subdivided, a letter was added to the lot description, in this case, the letter B. Therefore, the lot description referred to in Felisa Bonifacio's TCT No. 265777/T-1325 (Lot 23-A-4-B-2-A-3-A) shows that it has been subdivided many times. If Felisa Bonifacio's TCT No. 265777/T-1325 was indeed derived directly from OCT 994, the lot description should have only been Lot 23-A-4. Thus, based on the lot

description appearing on Felisa Bonifacio's TCT No. 265777/T-1325 itself, it is impossible that her title was directly derived from OCT 994.

51. Q: How does Lot 23-A having been subdivided many times make it impossible for Felisa Bonifacio's TCT No. 265777/T-1325 to have been directly derived from OCT 994?

A: As discussed above, since Lot 23-A has been subdivided many times, if Felisa Bonifacio's TCT No. 265777/T-1325 was indeed derived directly from OCT 994, then the lot description should have only been Lot 23-A-4. The addition of a corresponding number and/or letter to the lot description every time the lot is subdivided shows that Lot 23-A has been subdivided many times and it is impossible for Felisa Bonifacio's TCT No. 265777/T-1325 to have been derived directly from OCT 994.

52. Q: Do you know when a copy of Felisa Bonifacio's TCT No. 265777/T-1325 was microfilmed by the LRA?

A: It was microfilmed by the LRA on 22 February 1994.

53. Q: When was the decision of the Supreme Court holding that "there is only one OCT No. 994" and the same "was received for transcription by the Register of Deeds on 3 May 1917" promulgated?

A: It was promulgated on 14 December 2007 and reiterated in a Decision dated 8 June 2011.

54. Q: Do you know why the copy of Felisa Bonifacio's TCT No. 265777/T-1325 on file with the Register of Deeds of Caloocan City contains a different date as to the original registration of the property covered by said title?

A: If you look closely at the copy of Felisa Bonifacio's TCT No. 265777/T-1325, you will notice that the date 3rd May nineteen hundred and seventeen was superimposed on the date 19th April nineteen hundred and twelve. In fact, there are still faint markings of the original registration date on the face of the title. It is therefore clear that the date 3 May 1917 appearing on Felisa Bonifacio's TCT No. 265777/T-1325 was altered to make it appear that it originated from the legitimate and authentic OCT No. 994.

55. Q: Would you know the reason why the date 3rd May nineteen hundred and seventeen was superimposed on the date 19th April nineteen hundred and twelve on the copy of Felisa Bonifacio's TCT No. 265777/T-1325?

A: The obvious reason is to avoid the consequence of the Supreme Court's rulings in *Manotok Realty, Inc., and Manotok Estate Corporation vs. CLT Realty Development Corporation and Phil-Ville Development Housing Corp. v. Maximo Bonifacio, [et al.]* that there is only one OCT No. 994 x x x and the same "was received for transcription by the Register of Deeds on 3 May 1917". As early as December 1979, complaints for recovery of possession of properties covered by OCT 994 were filed. The perpetrators of the alteration logically anticipated that their scheme will be discovered; hence, they caused the alteration to make it appear that their title was derived from the legitimate and authentic OCT 994 even before the Supreme Court Decisions were promulgated.

56. Q: You mentioned that VSD's TCT No. 285312 is derived from Felisa Bonifacio's TCT No. 265777/T-1325. What date is indicated in VSD's TCT No. 285312 as the date when the property covered therein was originally registered as OCT No. 994?

A: VSD's TCT No. 285312 states that the property covered therein was originally registered as OCT No. 9[9]4 on 3rd May nineteen hundred and seventeen.⁶⁵ (Citations omitted)

According to the Court of Appeals, VSD did not offer any explanation in regard to the discrepancies in Felisa Bonifacio's TCT No. 265777/T-1325 on file with the Register of Deeds of Caloocan City and the microfilm thereof in the Micrographic and Computer Division of the LRA. However, VSD refuted Engr. Cortez's testimony insofar as he concluded that the alteration was done to evade the effects of the *Manotok* and *Phil-Ville* cases. The Court of Appeals reported:

Adopting its expert witness' testimony, (Engr. Godofredo Limbo, Jr.[']s Reply-Affidavit), VSD rebuts Engr. Cortez'[s] conclusion, to wit:

90. Q: In Answer No. 55 of his Judicial Affidavit, Engr. Cortez concluded that the reason why the dates 3rd May nineteen hundred and seventeen was supposedly superimposed on the 19th April nineteen hundred and twelve on the copy of Felisa Bonifacio's TCT No. 265777/T-1325 is to allegedly avoid the consequence of the Supreme Court's ruling in *Manotok Realty, Inc. and Manotok Estate Corporation vs. CLT Realty Development Corporation*, 540 SCRA 304 (2007) and *Phil-Ville Development Housing Corp. vs. Maximo Bonifacio, et al.*, 651 SCRA 327 (2011) that there is only one OCT No. 994 and the same was received for transcription by the Register of Deeds on 03 May 1917. What is your reaction to this, if any?

A: I do not agree with Engr. Cortez's conclusion. Assuming *arguendo* that there was an alteration in TCT No. 265777/T-1325 which was registered on 29 March 1993, the alteration could have only been made between 22 February 1994, the date when TCT No. 265777/T-1325 was supposedly microfilmed in the LRA, and 08 September 1994, the date when TCT No. 285312 in the name of VSD was registered. There is no issue as any alleged alteration in the title in the name of VSD.

Between 22 February and 08 September 1994, of the prevailing ruling was *Metropolitan Waterworks and Sewerage Systems vs. Court of Appeals*, 215 SCRA 783 (1992) ("the MWSS case") where it was held that the true and valid OCT No. 994 was registered on 19 April 1917, thus, there was no benefit when the date of TCT No. 265777/T-1325 was altered to reflect 03 May 1917. On the contrary, this was detrimental to Bonifacio since at that time, the true OCT No. 994 should have referred to 19 April as its registration date and not 03 May 1917.

There was no way it could have been anticipated that after almost fifteen (15) years, the Supreme Court would reverse its decision and hold that 03 May 1917 is the true date of registration of OCT No. 994.

⁶⁵ *Id.* at 788-796.

Otherwise stated, the supposed alteration was intended to render TCT No. 265777/T-1325 invalid. However, the effect was actually opposite as it confirmed the fact that the OCT No. 994, upon which an annotation of the title is included, was actually registered on 03 May 1917.⁶⁶

The Court of Appeals stated that VSD is insistent in pointing out three matters regarding the tampered title: (1) that the alteration or tampering is only apparent in Felisa Bonifacio's TCT No. 265777/T-1325; (2) that the tampering or alteration, which was made to reflect TCT No. 265777/T-1325 as having originated from OCT No. 994 dated May 3, 1917, was done during the period when the MWSS case (1992) was the controlling Supreme Court ruling (OCT No. 994 dated April 19, 1917 was deemed legitimate/authentic); and (3) VSD is a purchaser for value and in good faith; thus, it must be accorded protection by law.⁶⁷

The Court of Appeals asserted that notwithstanding the parties' disquisition, it is nevertheless conclusively established that the microfilmed version of TCT No. 265777/T-1325 reflects that its derivative title is OCT No. 994 dated April 19, 1912, while the title on file with the Caloocan Registry of Deeds reflects that its derivative title is OCT No. 994 dated May 3, 1917.

The Court of Appeals averred that the foregoing discrepancy in the certification of registration entries is evident proof of tampering and/or alteration (*res ipsa loquitur*), but material evidence that would establish the author of the fraudulent act has not been adequately substantiated.

This Court agrees with the finding of the Court of Appeals that the discrepancies in the certification of registration entries in Felisa Bonifacio's title on file with the Caloocan Registry of Deeds and its microfilmed version in the Micrographic and Computer Division of the LRA are evident proof of tampering and alteration.

IV. Whether respondent Baello's TCT No. (35788)12754 can be traced back to the legitimate and authentic OCT No. 994 dated May 3, 1917.

The Court of Appeals found that respondent Baello's title to the disputed property can be traced back to the legitimate OCT No. 994 registered on May 3, 1917. It reported thus:

Baello's title to the disputed lot is evidenced by TCT No. (35788) 12754 (Exhibits "1" and "28") which was issued on September 6, 1954.

⁶⁶ Investigation Report, pp. 28-29.

⁶⁷ *Id.* at 29.

Baello derived her title from Jacoba Jacinto Galauran by way of succession as shown in Entry No. 65325 Fil. T-35788 annotated on the latter's title TCT No. 10300, to wit:

Entry No. 65325 Fil. T-35788 - Adjudication in favor of DOLORES BAELO, adjudicatee: Covering the parcel of land described in this certificate of title in accordance with the Project of Partition in Sp. Proc. No. 1592 of the Court of First Instance of Rizal, entitled, IN THE MATTER OF THE TESTATE ESTATE OF THE DECEASED JACOBA JACINTO GALAURAN, DOLORES BAELO, Executrix, approved by the Court in its order dated June 11, 1954, with another order dated July 30, 1954, declaring the proceeding closed. By virtue thereof, this certificate of title is hereby cancelled, Transfer Certificate of Title No. 35788, Reg. Book T-456 having been issued in the name of said Dolores Baello.

Date of Instrument - Jan. 18, 1954

Date of Inscription - Sept. 6, 1954 - 9:45a.m.

Jacoba Jacinto Galauran's TCT No. 10300 (Exhibits "4" and "21"), issued on February 16, 1926, traces its origin from TCT No. 8318 (Exhibit "6"), issued on February 26, 1924, under the name of Teodoro Jacinto (Father of Jacoba). TCT No. 8318 contains an annotation (number illegible and contents written in Spanish) dated February 16, 1926 which, by context, cancelled said title and issued TCT No. 10300 to TCT No. 10303.

For record purposes, TCT No. 10301 (Exhibit "22") was issued in the name of Monica Jacinto Galauran, TCT No. 10302 (Exhibit "23") was issued in the name of Candido J. Galauran and TCT No. 10303 (Exhibit "24"), still in the name of Teodoro Jacinto.

Teodoro Jacinto's TCT No. 8318 in turn was derived from TCT No. 8164 (Exhibit "32"), issued on November 6, 1923, under the name of Juan Cruz Sanchez by way of *venta y restante* (Exhibit "32-A"), to wit:

x x x x

Juan Cruz Sanchez' TCT No. 8164 in turn was derived from TCT No. 8160 (Exhibit "31"), issued on October 24, 1923, in the name of Vedasto Galino by way of *venta y restante* (Exhibit "31-A"), to wit:

x x x x

Vedasto Galino's TCT No. 8160 in turn was derived from TCT No. 8059 (Exhibit "30"), issued on September 3, 1923, still in the name of Vedasto Galino, by reason of partial sale of his property, *venta y restante* (Exhibit "30-A"), to wit:

x x x x

Vedasto Galino's TCT No. 8059 in turn was derived from TCT No. 8004 (Exhibit "29") issued on July 24, 1923, still in the name of Vedasto Galino, by way of partial sale of his property *venta y restante* (Exhibit "29-A")]. (Annotation partly illegible and written in spanish).

Vedasto Galino's TCT No. 8004 in turn was derived from OCT No. 994 (Exhibits "3", "15" and "19" D)], issued on May 3, 1917. Reference to TCT No. 8004 is inscribed in OCT No. 994 (Exhibit "15-F") albeit the name of Vedasto Galino is not legible or does not appear.

On this matter, Baello cites *Phil-Ville Development and Housing Corporation v. Maximo Bonifacio et al.* (2011) where the Supreme Court recognizes the title of Vedasto Galino over TCT No. 8004, finding *viz*:

On the other hand, Vedasto Galino, who was the holder of TCT No. 8004 registered on July 24, 1923 and to whom petitioner traces its titles, was among the successful petitioners in Civil Case No. 391 entitled *Rosario Negrao, et al. v. Concepcion Vidal, et al.*, who sought the issuance of bills of sale in favor of the actual occupants of certain portions of the Maysilo Estate.

Thus, Baello's title over Lot 23-A-4-B-2-A-3-A can be traced back as follows:


- (a) Baello's title: TCT No. (35788) 12754; derived from
- (b) Jacoba Jacinto Galauran's title: TCT No. 10300; derived from
- (c) Teodoro Jacinto's title: TCT No. 8318; derived from
- (d) Juan Cruz Sanchez' title: TCT No. 8164; derived from
- (e) Vedasto Galino's title: TCT No. 8160; derived from
- (f) *-Idem-* : TCT No. 8059; derived from
- (g) *-Idem-* : TCT No. 8004; derived from
- (h) Original owners of OCT No. 994 (May 3, 1917).⁶⁸
(Citations omitted)

The Court has reviewed the evidence on record and adopts and affirms the Court of Appeals' finding that Baello's title can be traced back to the legitimate OCT No. 994 registered on May 3, 1917.

V. Whether the technical description of the title of Baello covers the subject property.

Another important issue that was not ascertained with clarity in the lower court is whether the technical description in the respective titles of petitioner VSD and respondent Baello referred to the same property in dispute. To reiterate, Article 434 of the Civil Code provides that to successfully maintain an action to recover the ownership of a real property, the person who

⁶⁸ *Id.* at 30-34.



claims a better right to it must prove two (2) things: *first*, the identity of the land claimed; and *second*, his title thereto.⁶⁹ As stated by the trial court, documentary and testimonial evidence of competent government witnesses affirmed VSD's right to the technical description of the disputed lot, while Baello failed to overcome the same. She merely asserted, without more, that the technical description in her title covered the disputed property. (She failed to adduce in evidence TCT No. 10300/T-42, which contained the full technical description [boundary measurements] of her property, and she failed to establish that the said technical description pertains to the same property in dispute.) The trial court found that a mere reading of the respective technical description in VSD's title and in Baello's title would show that they are not one and the same; hence, it held that Baello is the holder of a title over a lot entirely different and not in any way related to VSD's title and its technical description. The trial court, among others, annulled the title of Baello. The Court of Appeals held that there was no valid ground for the trial court to annul the title of Baello; hence, Baello's title enjoys the presumption of validity. This Court affirmed the trial court's ruling, but held that the nullification of Baello's title, without proof that it was procured through fraud, was void.

In the face of documentary evidence, as well as testimonial evidence of competent government witnesses affirming VSD's right to the technical description in its title to the disputed lot, and the insistence of Baello that the respective technical description in her title and VSD's title both refer to the same parcel of land, the Court of Appeals was tasked to determine whether or not the technical description in the title of Baello covers the disputed lot.

In its Investigation Report, the Court of Appeals submitted that the technical description in the respective titles of Baello and VSD refer to the same lot, subject of the dispute. The Court of Appeals reported on the fifth issue thus:

V.

Whether the technical description of the title of Baello covers the subject property

The subject property referred to for investigation of this Court is referred to as follows:

In VSD's Title: Lot No. 23-A-4-B-2-A-3-A of the subd. Plan Psd-706, L.R.C. Rec. No.), situated in Balintawak, Caloocan, Rizal.

In Baello's Title: Lote No. 3-A del plano de subdivision Psd-706, parte del Lote 23-A, plano original Psu-2345 de la Hacienda de Maysilo, situado en al Barrio de

⁶⁹ *Spouses Hutchison v. Buscas*, *supra* note 18, at 262.

Balintawak, Municipio de Caloocan, Provincia de Rizal.

Baello's expert witness, Engr. Felino M. Cortez examined the entries in TCT No. (35788) 12754 (Exhibit "1"). Appearing thereon is the technical description of the land which reads as follows:

"Un terreno (Lote No. 3-A del plano de subdivision Psd-706, parte del Lote No. 23-A, plano original Psu-2345 de la Hacienda de Maysilo), situado en al Barrio de Balintawak, Municipio de Caloocan, Provincia de Rizal. Linda por el NE., con el Lote No. 3-D del plano de subdivision; per el SE. con el Lote No. 3-B del plano de subdivision; por el SO. con el Lote No. 7; y por el NO. con propiedad de Ramon Dano (Lote No. 1). xxx midiendo una extension superficial de DOS MIL OCHOCIENTOS TREINTA Y CUATRO METROS CUADRADOS CON OCHENTA DECIMETROS CUADRADOS (2,834.80) mas o minus. Xxx la fecha de la medicion original, 8 al 27 Septiembre, 4 al Octubre y 17 - 18 de Noviembre de 1911, y la de la subdivision, 29 de Diciembre de 1924." (Full technical description appears on Transfer Certificate of Title No. 10300/T-42).


Pursuant to Baello's TCT No. (35788) 12754, the full technical description (boundary measurements) is indicated in the derivative title TCT No. 10300/T-42. According to Engr. Cortez, after comparing the full technical description in the Baello Title and TCT No. 10300 with VSD's TCT No. 285312, he concludes that the property described therein pertains to one and the same lot, to wit:

61. Q: What is your basis in saying that the lot numbers are the same?

A: The lot number of the land referred to in Ms. Baello's TCT No. (35788)12754 is 3-A, Psd-706 part of Lot 23-A of original plan PSU-2345, Hacienda de Maysilo. It is actually an abbreviation for Lot 23-A-4-B-2-A-3-A.

62. Q: What is your basis in saying that Lot No. 3-A, Psd-706 part of Lot 23-A of original plan PSU-2345, Hacienda de Maysilo appearing in Ms. Baello's TCT No. (35788) 12754 is actually an abbreviation of Lot 23-A-4-B-2-A-3-A?

A: Ms. Baello's TCT No. (35788) 12754 states that it refers to Lot 3-A, Psd-706 part of Lot 23-A of original plan PSU-2345, Hacienda de Maysilo. Ms. Baello's TCT No. (35788) 12754 is a derivative of TCT No. 10300, which also refers to Lot 3-A. As discussed above, TCT No. 10300 came from TCT No. 8318, which refers to "Lot No. 3 of the subdivision plan being a portion of Lot No. 23-A-4-B-2-A part of Lot No. 23-A of PSU 2345 - Amd-2, Maysilo Estate." This means th[at] the land referred to in Ms. Baello's TCT No. (35788) 12754 forms a part of Lot 3, which is described in TCT No. 8318 as a part of Lot No. 23-



A-4-B-2-A. Thus, the land referred to in Ms. Baello's TCT No. (35788) 12754 can be completely described as Lot 23-A-4-B-2-A-3-A.

To prove that Baello's TCT No. (35788) 12754 and VSD's TCT No. 285312 pertain to one and the same lot, Engr. Cortez, presents a comparative table of the adjoining boundaries contained in the technical description of the aforesaid titles, to wit:

	Ms. Baello's TCT No. (35788) 12754	VSD's TCT No. 285312
Northeast/East	On the NE (Northeast) along lines 1-2 by Lot 23-A-4-B-2-A-3-D, which is the lot number of 3-D	On the E (East) along lines 1-2 by Lot 23-A-4-B-2-A-3-D, which is the lot number of 3-D
Southeast	On the SE (Southeast) along lines 2-3 by Lot 23-A-4-B-2-A-3-B, which is the lot number of lot 3-B	On the SE (Southeast) along lines 2-3 by Lot 23-A-4-B-2-A-3-B, which is the lot number of lot 3-B
Southwest	On the SW (Southwest) and NW (Northwest) along lines 3-4-1 by Lot 23-A-4-B-2-A-6, which are the lot numbers of lot 1 and lot 6, respectively	On the SW (Southwest) and NW (Northwest) along lines 3-4-1 by Lot 23-A-4-B-2-A-6, which are the lot numbers of lot 1 and lot 6, respectively

Engr. Cortez points out that Baello's TCT No. (35788)12754 and VSD's TCT No. 285312 bear a common Point-of-Beginning which is, "N.69 deg. 07' E., 1306.21m from BLLM No. 1, Caloocan."

Furthermore, Engr. Cortez presented a table portraying that the boundary lines of the property described in the Baello and VSD titles are almost identical, to wit:

Boundary Lines	Ms. Baello's TCT No. (35788)12754	VSD's TCT No. 285312
First Boundary Line	N. 69 deg. 07' E., 1306.21m from BLLM No. 1, Caloocan to corner 1. thence S. 1 deg. 46' W, 25.16m to point 2	N. 69 deg. 07' E., 1306.21m from BLLM No. 1, Caloocan to corner 1. thence S. 1 deg. 46' W, 25.16m to point 2. to point "2"
Second Boundary Line	S. 65 deg. 22' W., 116.78 m. to point "3"	S. 65 deg. 116.78 m. to point "3"
Third Boundary Line	N. 23 deg. 12' W., 23.85 m. to point "4"	N. 23 deg. 12' W., 23.85 m. to point "4"
Fourth Boundary Line	N. 65 deg. 57' E, 127.39 m. to point "1"	N. 65 deg. 57' E, 127.39 m. to point "1"

To further illustrate that the parties' respective title involves a common lot, Engr. Cortez plotted the technical description contained in

Baello's TCT No. (35788)127544 and TCT 10300 and offered the plan thereof for consideration of the Court (Exhibit "13"). Engr. Cortez likewise plotted the technical description contained in VSD's TCT No. 285312 and offered the plan thereof for comparison (Exhibit "14"). Finally, Engr. Cortez presents a common plan showing that the technical description of the property in the Baello and VSD titles refer to one and the same lot (Exhibit "12").

As is apparent on the face of the titles, Engr. Cortez pointed out that the land referred to in Baello's TCT No. (35788) 12754 and the land referred to in VSD's TCT No. 285312 are of the same area, which is 2,834.8 square meters.

He further testified that the land covered by the technical description contained in Baello's TCT No. (35788) 12754 is located at Rizal Avenue Extension, Manila, Philippines, where Uniwide Caloocan can be found while the land covered by the technical description contained in VSD's TCT No. 285312 is also located at Rizal Avenue Extension, Manila[,] Philippines, where Uniwide Caloocan can also be found.

In conclusion, Engr. Cortez posits, to wit:

74. Q: Based on your findings, what conclusion did you reach, if any?

A: Based on my findings, the land covered by the technical description of Ms. Baello's TCT No. (35788) 12754 is the same land covered by the technical description of VSD's TCT No. 285312. Therefore, considering that Ms. Baello's TCT No. (35788) 12754 came from TCT No. 10300, which was issued on 16 February 1926 while Felisa Bonifacio's TCT No. 265777/T-1325, from which VSD derived its title, was issued only on 29 March 1993, there is no doubt that the technical description of Felisa Bonifacio's TCT no. 265777/T-1325 was merely copied from TCT 10300. It is significant to note TCT No. 10300 (from which Ms. Baello derived her title) predates Felisa Bonifacio's TCT No. 265777/T-1325 (from which VSD derived its title) by at least sixty[-]seven (67) years.

x x x x

For its part, VSD opposes the findings and the conclusion reached by Engr. Cortez. It posits that the Honorable Supreme Court already made a finding that the property covered by the Baello Title is not the same as that covered by the VSD Title.

VSD contends that the VSD and the Bonifacio (sic) *Baello Titles do not have the same adjoining boundaries and that considering that VSD's TCT No. 285312 refers to Lot No. 23-A-4-B-2-A-3-A while the lot number referred to in the Baello's TCT No. (35788)12754 is only Lot No. 3-A of subdivision plan Psd-706, part of the original plan Psd-706, necessarily, the two titles pertain to different lots.

VSD also points out that Baello's TCT No. (35788)12754's full technical description obtained its bearings from its predecessor title, *i.e.*, TCT No. 10300 which in turn was derived from TCT No. 8318 where the

description "Lot No. 3 of the subdivision plan being a portion of Lot No. 23-A-4-B-2-A part of Lot No. 23-A of Psu-2345-Amd-2, Maysilo Estate xxx" can be found.

VSD theorizes that the inclusion of Amd-2 in Psu-2345 means that the original plan had been amended twice. Being two different plans, it is possible that even if the lot numbers found in the title are the same, it may pertain to different properties.

VSD challenges the validity of Baello's title considering that upon plotting, TCT No. (35788) 12754 and its predecessor title does not constitute a closed polygon.⁷⁰ (Citations omitted, emphasis in the original)

The Court of Appeals reported thus:

After a thorough perusal of the evidence on record, the weight of evidence tilts in favor of Baello. Evidently, the plot plan for TCT No. (35788)12754/TCT 10300 and TCT No. 285312 sufficiently demonstrated the common location of the subject lot.

The issue on whether the technical description contained in Baello's title results in a closed polygon or not is shown to be human error on the part of Engr. Cortez. However, it does not change the fact that by preponderant evidence, the lot number, adjoining boundaries, Point-of-Beginning, boundary lines, area in square meters and actual location of the property in consideration is similar. That, the Baello's TCT No. (35788) 12754 and VSD's TCT No. 285312 refer to the same property where Uniwide Caloocan is actually situated.⁷¹

The Court has reviewed the records of the case, and adopts and agrees with the finding of the Court of Appeals that the technical description in the respective titles of VSD and Baello indeed refer to the same lot, subject of the dispute.

In addition, the Court of Appeals said that in its memorandum, VSD prayed that the appellate court includes in its report that its (VSD's) purchase of the disputed lot was for value and made in good faith.

The Court of Appeals, however, aptly stated that VSD is not an innocent purchaser of the disputed lot, thus:

VSD is not an innocent purchaser of the subject lot. An innocent purchaser for value is one who buys the property of another without notice that some other person has a right to or interest therein and who then pays a full and fair price for it at the time of the purchase or before receiving a notice of the claim or interest of some other persons in the property. Buyers in good faith buy a property with the belief that the person from whom they receive the thing is the owner who can convey title to the property. Such

⁷⁰ Investigation Report, pp. 36-41.

⁷¹ *Id.* at 41.

buyers do not close their eyes to facts that should put a reasonable person on guard and still claim that they are acting in good faith.

In VSD's case, at the time it purchased the subject lot *via* Deed of Absolute Sale on September 12, 1994, the subject lot was occupied by Uniwide pursuant to a Contract of Lease it executed with Dolores Baello on July 15, 1988, or six (6) years prior. VSD cannot raise as defense that it has the right to rely on the correctness of the certificate of title. The rule, as enunciated in *Philippine National Bank v. Militar*, states, *viz*:

xxx, where the land sold is in the possession of a person other than the vendor, the purchaser must go beyond the certificate of title and make inquiries concerning the actual possessor. A buyer of real property which is in possession of another must be wary and investigate the rights of the latter. Otherwise, without such inquiry, the buyer cannot be said to be in good faith and cannot have any right over the property.

VSD cannot be considered an innocent purchaser for value in light of its failure to investigate the occupant's (Uniwide/Baello's) right prior its purchase of the subject lot.⁷²

The Court of Appeals (Special Division) concluded its Investigation Report with this recommendation:

RECOMMENDATION

After a thorough review of the evidence on record, it has been preponderantly established that Lot 23-A-4-B-2-A-3-A is the common lot described in VSD's TCT No. 285312 and Baello's TCT No. (35788)12754. The evidence shows that the titles of VSD and Baello can both be traced back to OCT No. 994 dated May 3, 1917. However, VSD's title was derived from Felisa D. Bonifacio's tampered TCT No. 265777/T-1325, which was already adjudged as spurious in *Phil-ville* (2011) and *Syjuco* (2015) Supreme Court cases.⁷³

The ruling of the Court

The Court adopts the Investigation Report of the Court of Appeals (Special Division).

The ultimate purpose of the inquiry undertaken by the Court of Appeals (Special Division) was to determine who is the legitimate owner of the subject property traceable to the authentic OCT No. 994 registered on May 3, 1917, and, in accordance with the nature of the case (a complaint for annulment of title and recovery of possession), whether petitioner VSD is entitled to recover possession of the subject property from respondent Baello.

⁷² *Id.* at 41-42.

⁷³ *Id.* at 42.

The Court affirms the finding of the Court of Appeals that the technical description in the respective titles of VSD and Baello refer to the same lot, subject of the dispute.

The Court finds that VSD's claim of title over the subject property cannot be sustained.

Based on the Investigation Report of the Court of Appeals and the evidence on record, VSD's title was derived from Felisa Bonifacio's TCT No. 265777/T-1325, which was tampered with to reflect that it was derived from the legitimate and authentic OCT No. 994 registered on May 3, 1917. The certification of registration portion of the Caloocan issued TCT No. 265777/T-1325⁷⁴ states that the land was originally registered on **May 3, 1917** in the Registration Book of the Office of the Register of Deeds of **Rizal, Volume A-9-A, page 226** as OCT No. 994, while in the microfilm⁷⁵ copy of TCT No. 265777/T-1325, the said land was originally registered on **April 19, 1912** in the Registration Book of the Office of the Register of Deeds of **Manila, with no volume and page numbers.**⁷⁶ Indeed, the pinpointed discrepancies in the certification of registration entries in Felisa Bonifacio's title on file with the Registry of Deeds of Caloocan City and the microfilm thereof in the Micrographic and Computer Division of the LRA are evident proof of tampering.

Moreover, *Phil-Ville Development and Housing Corporation v. Bonifacio, et al.*⁷⁷ already held that Maria de la Concepcion Vidal, a co-owner of the Maysilo Estate, did not have a right over Lot 23-A, from which the disputed lot originated pursuant to the *Proyecto de Particion de la Hacienda de Maysilo*, because her shares pertained to Lot 6 and portions of Lots 10 and 17. Hence, Eleuteria Rivera Bonifacio, as heir of Maria de la Concepcion Vidal, could not acquire title over Lot 23-A by substitution and, therefore, she could not convey the disputed lot by Deed of Assignment to Felisa Bonifacio, and, likewise, Felisa Bonifacio had no legal right to validly sell the disputed lot to VSD. It also held that it was impossible for Eleuteria Rivera Bonifacio to be an heir of Maria de la Concepcion Vidal because the Death Certificate of Eleuteria Rivera Bonifacio showed that she was two years older than her alleged grandmother Maria de la Concepcion Vidal.⁷⁸

Further, the Court takes judicial notice that in *Syjuco, et al. v. Bonifacio, et al.*,⁷⁹ the subject property involved for quieting of title by Imelda, Leonardo, Fidelino, Azucena, Josefina, Anita and Sisa, all surnamed

⁷⁴ CA rollo, p. 868.

⁷⁵ *Id.* at 872.

⁷⁶ Emphases supplied to pinpoint the discrepancies in the certification of registration entries in Felisa Bonifacio's title (TCT No. 265777/T-1325) on file with the Registry of Deeds of Caloocan City and the microfilm thereof in the Micrographic and Computer Division of the LRA.

⁷⁷ *Supra* note 44.

⁷⁸ *Id.* at 344-345.

⁷⁹ *Supra* note 50.

Syjuco (*the Syjuocos*) was the other lot, Lot 23-A-4-B-2-A-3-B, Psd-706 (Psu-2345) of the Maysilo Estate, which was also titled in the name of Felisa Bonifacio as TCT No. 265778, pursuant to the same Order dated October 8, 1992 of Judge Geronimo S. Mangay, RTC of Caloocan City, Branch 125, in LRC Case No. C-3288, entitled "*In the Matter of Petition for Authority to Segregate an Area of 5,630.1 Sq. mtrs. From Lot 23-A-4-B-2-A-3-B, Psd-706 (Psu-2345) of Maysilo Estate and Issuance of Separate Certificates of Title in the Name of Felisa D. Bonifacio.*" In *Syjuco*, Lot 23-A-4-B-2-A-3-B was later sold by Felisa Bonifacio to VSD. Like in this case, the respective titles of VSD and Felisa Bonifacio to the disputed lot in *Syjuco* were derived from Eleuteria Rivera Bonifacio and Maria de la Concepcion Vidal. However, in *Syjuco*, the Court of Appeals and this Court found that Felisa Bonifacio's title was registered in 1912, and the respondents therein, Felisa Bonifacio and VSD, contended that their respective titles, Felisa Bonifacio's TCT No. 265778 and VSD's TCT No. 285313, were derivatives of **OCT No. 994 registered on April 19, 1917**,⁸⁰ which the Court had already repeatedly declared to be a non-existent and invalid title; hence, the Court ruled in favor of the Syjuocos.

Evidently, in *Syjuco* and in this case whose respective subject matters are the two lots segregated in LRC Case No. C-3288, there is inconsistency in the registration date of OCT No. 994 from which the respective titles of VSD and Felisa Bonifacio were supposedly derived. In *Syjuco*, respondents therein, Felisa Bonifacio and VSD, contended that their respective titles to Lot 23-A-4-B-2-A-3-B were derivatives of OCT No. 994 registered on April 19, 1917, which has been declared invalid; while in this case, Felisa Bonifacio's title to the subject property (Lot 23-A-4-B-2-A-3-A) was tampered with to reflect that it was derived from the legitimate and authentic OCT No. 994 registered on May 3, 1917, and VSD's title reflects the same correct registration date.

In regard to the title (TCT No. [35788] 12754) of respondent Baello, the Investigation Report and evidence on record show that Baello's title can be traced back to the legitimate and authentic OCT No. 994 registered on May 3, 1917, and her title was derived from her predecessors-in-interest (Jacoba Jacinto Galauran, Teodoro Jacinto, Juan Cruz Sanchez and Vedasto Galino) who had validly acquired title to the subject property. Vedasto Galino's TCT No. 8004,⁸¹ issued on July 24, 1923, was derived from the legitimate OCT No. 994 registered on May 3, 1917. The subject property was bequeathed to respondent Baello through a will by her adoptive mother Jacoba Jacinto Galauran whose right to the subject property is evidenced by TCT No. 10300⁸² issued on February 16, 1926. Respondent Baello's TCT No. (35788) 12754 was registered on September 6, 1954, more or less forty (40) years before the registration of the same property in petitioner VSD's name on September 22, 1994 and in the name of Felisa Bonifacio on March 29, 1993. Clearly, the respective titles of respondent Baello and her predecessors-in-interest over the

⁸⁰ *Id.* at 477.

⁸¹ *CA rollo*, p. 2264.

⁸² *Id.* at 2241.

subject property were registered decades earlier than the respective titles of petitioner VSD and its predecessor-in-interest Felisa Bonifacio.

Based on the foregoing reasons, petitioner VSD's TCT No. T-285312, which was derived from Felisa Bonifacio's tampered TCT No. 265777/T-1325 and traced back to Eleuteria Rivera Bonifacio and Maria de la Concepcion Vidal, who acquired no right over the subject property, is hereby held to be null and void. Respondent Baello is the legitimate owner of the subject property, which was registered by Baello in her name (and also Baello's predecessors-in-interest in their respective names) decades earlier than VSD and Felisa Bonifacio.

WHEREFORE, the Motion for Reconsideration is **GRANTED**. The Decision of the Court dated October 24, 2012 is **VACATED**, and the Decision of the Court of Appeals dated May 30, 2005 and its Resolution dated December 6, 2005, reversing and setting aside the Decision of the Regional Trial Court of Caloocan City, Branch 126, in Civil Case No. C-16933, and dismissing the Complaint of herein petitioner VSD Realty & Development Corporation, are hereby **AFFIRMED**.


SO ORDERED.

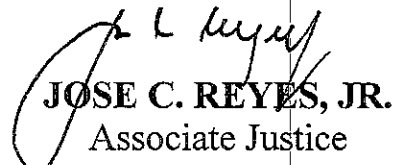


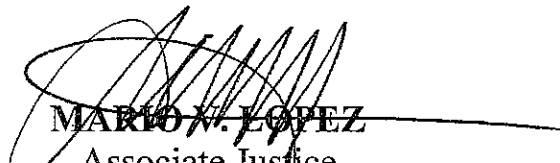
DIOSDADO M. PERALTA
Chief Justice

WE CONCUR:


MARVIC M.V.F. LEONEN
 Associate Justice

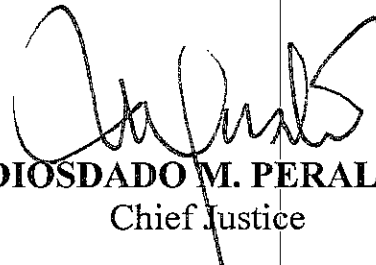

ALEXANDER G. GESMUNDO
 Associate Justice


JOSE C. REYES, JR.
 Associate Justice


MARIO N. LOPEZ
 Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.


DIOSDADO M. PERALTA
 Chief Justice

CERTIFIED TRUE COPY

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MISAELO DOMINGO C. BATTUNG III
 Division Clerk of Court
 Third Division

JUL 28 2020