

102 Phil. 588

[G. R. No. L-9914. December 19, 1957]

CONCEPCION H. LUNA, ALFREDO HOELZI, CARMEN A. HOEIZI, ELIZABETH A, HOELZI, IGNACIO A. LUNA, JUAN ALCAZAR, REYNALDA ALCAZAR, GLORIA AMPARO HUAB, FRANCISCA H. JAVIER, ANGELA A. BUENCAMINO, RUPERTO ALCAZAR, JR., AND JOSE ALCAZAR, PETITIONERS AND APPELLANTS, VS. MONS. PEDRO P. SANTOS AND MONS. FLAVIANO B. ARIOLA, RESPONDENTS AND APPELLEES.

D E C I S I O N

FELIX, J.:

Rev, Fr. Martin S. Alcazar was the original owner of 2 parcels of land: one located at Earlis, Pilar, Sorsogon, containing an area of 34.8471 hectares, and the other at Burabon, Loreto, Castilla, of the same province, with an area of 440.3326 hectares (Exh. 1). In an absolute deed of sale dated *February 17, 1953*, Fr. Alcazar appeared to have sold the aforementioned parcels of land together with a house of strong materials erected on the Land of Frank Hoeizi at Putiao, Pilar, Sorsogon, to the Roman Catholic Bishop of Nueva Caceres in consideration of the sum of P12,000.00. It was specifically provided for in said instrument that as the said parcels of land were not yet brought under the Torrens system, although at the time of the transaction the proceeding for the registration of the same was still pending (GLRO No. 2, Rec. No. N-728), the deed of sale should be registered under Act 3344. *On July 14, 1953*, Original Certificate of Title No. 0-32 covering the parcels of land above-mentioned was actually issued in the name of Fr. Martin S. Alcazar. It does not appear from the record that the deed of sale (Exh. 1) was ever registered under the provisions of Act 3344 as agreed upon.

On January 17, 1954, after the demise of Fr. Martin Alcazar, the deed of sale (Exh. 1) was presented to the Register of Deeds of Sorsogon for registration, together with an instrument executed by Monsignor Pedro P. Santos ceding all the property rights and interests that he had as the Roman Catholic Archbishop of Nueva Caceres over the properties subject of the sale in favor of the Roman Catholic Bishop of Legaspi, with

Mons. Flaviano B. Ariola as incumbent (Exh. D). As a consequence thereof, O.C.T. No. 0-32 was cancelled and Transfer Certificate of Title No. 656 was issued to Mons. Pedro P. Santos, but said certificate was likewise cancelled on the same day and Transfer Certificate of Title No. 657 was issued in the name of Mons. Flaviano B. Ariola in virtue of the cession of rights executed by Mons. Santos in favor of the Roman Catholic Bishop of Legaspi.

On April 20, 1954, Concepcion H. Luna, Alfredo Hoeizi, Carmen A. Hoeizi, Elizabeth A. Hoeizi, Ignacio A. Luna, Juan Alcazar, Reynalda Alcazar, Gloria Amparo Huab, Francisca H. Javier, Angela A. Buencamino, Lourdes Alcazar Dellosa, Irineo Dellosa, Ruperto Alcazar, Jr., Jose Alcazar, Rigoberto Alcazar, Purita Alcazar, Thelma Alcazar, Lorencita A. de Vera and Delfin de Vera, nephews and nieces and alleged heirs of the late Fr. Martin Alcazar filed a petition with the Court of First Instance of Sorsogon, which was docketed as *Special Action No. 879*, contending that the cancellation of O.C.T. No. 0-32 and the subsequent issuance of T.C.T. Nos. 656 and 657 were illegal because the alleged right of Mons. Pedro P. Santos was deemed abandoned upon the issuance of the original certificate of title in the name of Fr. Alcazar without the said deed of sale being annotated therein, and consequently, the transfer of said right in favor of the Roman Catholic Bishop of Legaspi was equally null and void. Thus they prayed the Court to order Mons. Flaviano B. Ariola to surrender T. C. T. No. 657 to the Register of Deeds of Sorsogon; to order said Register of Deeds to cancel the same and issue a new certificate of title in substitution of the Original Certificate of Title No. 0-32 in the name of the late Fr. Alcazar, and for such other relief as may be deemed proper in the premises.

In his answer, Mons. Pedro P. Santos averred that although the deed of sale was executed during the pendency of the proceedings for the registration of the 2 parcels of land, they did not cause the proper substitution of applicants therein to avoid the trouble of amending the application; that the expenses for said registration were borne by Mons. Santos; that as the petitioners knew that the procedure followed in the cancellation of O. C. T, No. 0-82 was legal, the filing of said petition was malicious. Mons. Santos thereby prayed the court for the dismissal of the same and claimed P10,000.00 for moral damages, for attorney's fees and for such other relief as may be deemed just and equitable under the circumstances.

Monsignor Flaviano Ariola in his separate answer, which was later amended to include a counterclaim for moral damages in the sum of P100,000.00, alleged that in view of the fact that the deceased left debts, petitioners had no capacity to sue since the rights

and interests of a decedent could only be asserted by a judicially appointed administrator if the deceased died with assets in the possession of third parties. It was prayed by this respondent that the petition be correspondingly dismissed.

Petitioners, in their reply to the answer of Mons. Santos, advanced the argument that the deed of sale was without consideration because neither Mons. Santos nor the Diocese of Nueva Caceres paid for the value stated there in ; that actually Fr, Alcazar intended to donate said properties to the congregation of the Redemptorist Fathers of Manila, but as this religious association was composed of foreigners, they simulated this deed of sale to go around the prohibition of the law. They also disputed the Archbishop's right to moral damages, and in addition to their prayer contained in the petition, they asked the court to declare the deed of sale (Exh. 1) null and void.

On August 31, 1955, the court rendered judgment holding that the sale of the properties in controversy was valid based on the findings that although Mons. Santos admitted having paid only the sum of P2,200.00, which payment was annotated in the notebook of Fr. Alcazar, the vendor left the balance of P9,800.00 in his care for the purpose of adding the same to the original P50,000.00 which the late Fr. Alcazar also entrusted to the Monsignor for the purpose of establishing a mission house in the' diocese of Nueva Caceres; that said amount was not intended by the deceased for the use of the Redemptorist Fathers as the selection of the proper congregation or order to establish the mission was left at the discretion of Mons. Santos; and that it was the Archbishop himself who made arrangements with the Redemptorist Fathers to carry on this purpose. The court thus ruled that the cancellation of O.C.T. No. O-S2 and the subsequent issuance of the transfer certificates of title were proper. It dismissed, however, respondents' counterclaims for moral damages on the ground that the filing of said petition was not given such publicity as to discredit said church dignitaries, aside from the fact that no proof was presented that the petition was filed in bad faith or with malicious intent. From this decision, petitioners brought this matter on appeal to this Court, and the interrelated issues assigned in this appeal could be boiled down to the sole question of whether the lower court had jurisdiction to declare the deed of sale executed by Fr. Martin Alcazar in favor of the Roman Catholic Bishop of Nueva Caceres as valid, and consequently whether the Register of Deeds of Sorsogon acted properly in cancelling O.C.T. No. 0-32 and issuing T.C.T. Nos. 656 and 657.

In trying to assail the jurisdiction of the lower court, appellants start on the premise that the petition for the cancellation of T.C.T. No. 657 issued in the name of Mons. Ariola was

pursuant to the provisions of Section 112 of the Land Registration Act and filed with the Court of First Instance of Sorsogon in its capacity as a Land Registration Court. Thus, they argued, it being a court of limited jurisdiction, it cannot take cognizance of the question of the validity or invalidity of a document for it has to be resolved by a court exercising general jurisdiction. Appellants, however, forget that they were the ones who raised the legality of the transfers of the certificates on the basis of said instrument (Exh, 1) and even if said question had to be resolved by the lower Court as a Land Registration Court, under the principle laid down by Us in the case of Government of the P. I. vs. Serafica, 61 Phil. 93, and reiterated in the case of Caoibes vs. Sison (*supra*, p. 19). We find no reason to declare that the Land Registration Courts, that are at the same time Courts of First Instance and of general jurisdiction could not have, at least for the sake of expediency, entertained and disposed of the question of the validity or invalidity of the instrument referred to above

On the other hand, Section 112 of the Land Registration Act (No. 496) relied upon by appellants, reads as follows:

Sec. 112. No erasure, alteration or amendment shall be made upon the registration book after the entry of a certificate of title or of a memorandum thereon and the attestation of the same by the clerk or any register of deeds, except by order of the court. Any registered owner or other person in interest may at any time apply by petition to the court, upon the ground that registered interests of any descriptions whether vested, contingent, expectant or inchoate, have terminated and ceased; or that new interests have arisen or been created which do not appear upon the certificate; or that any error omission, or mistake was made in entering a certificate or any memorandum thereon, or on any duplicate certificate; or that the name of any person on the certificate has been changed; or that the registered owner has been married; or if registered as married, that the marriage has been terminated; or that a corporation which owned registered land and has been dissolved has not conveyed the same within three years after its dissolution; or upon any other reasonable ground; and the court shall have jurisdiction to hear and determine the petition after notice to all parties in interest, and may order the entry of a new certificate, or entry or cancellation of a memorandum upon a certificate, or grant any other relief upon such terms and conditions, requiring security if necessary, as it may deem proper:

* * *Any petition filed under this section and all petitions and motions filed under the provisions of this Act after the original registration *shall be filed and entitled in the original case 'in which the decree of registration was entered.*

Contrary to appellants' line of argument that the petition was filed with the lower Court as a land registration court, We cannot fail to notice that said petition mentions the nature of the proceeding and carries the docket-number as *Special Action No. 879* and not of the original land registration proceedings (G.L.R.O. No. 2, Rec. No. N-728) as exhorted by the the last paragraph of Section 112 of Act 496. Appellants contend that this was merely an error committed by the Clerk of the Court of First Instance of Sorsogon who gave it a new number instead of filing the same under the original case. Appellants, however, did not furnish Us with a certified copy of the original petition in order to establish how was the caption thereof, nor have they reproduced it in the record on appeal to substantiate their contention that it was a mistake on the part of the Clerk of Court *a quo*, to open a new case. Under the circumstances of the case at bar, We cannot countenance this excuse because in the absence of evidence and without the Clerk of Court being called to testify in support of their point, the docket number given in the case by said Clerk must be considered as conclusive proof that said number corresponds to the action instituted by appellants and no other, the intention of the parties to the contrary notwithstanding.

Moreover, subsequent acts of appellants and their theory during the trial likewise belie their contention and strengthen our belief that the case was actually instituted as an independent civil action. In the proceedings had in the lower Court, appellants vigorously asserted that the sale was void for being without consideration, stressing and hammering the point that it was merely a simulated sale designed to camouflage the true intent of the decedent, i.e., to donate said properties to the Redemptorist Fathers in order to enable and finance the establishment of a mission in the diocese of Nueva Caceres under the management of said religious organization. With the records of the case, it is indeed clear to Us that appellants sought the intervention of the Court in the exercise of its general jurisdiction, probably having in mind the fact that as they were impugning the intrinsic validity of the deed of sale (Exh. 1) such matter had to be threshed out in an ordinary civil action, which procedure is also proper, following our ruling in the case of Garcia vs. Belzunce, (84 Phil., 802, 47 Off. Gaz., 1820). Having arrived at such conclusion, there can be no question that the Court of First Instance of Sorsogon, as a court of general jurisdiction, had authority to pass upon the validity of the instrument in controversy and

We find no reason to reverse the lower court's ruling that the act of the Register of Deeds in cancelling O.C.T. No. 0—32 and issuing T.C.T. Nos. 656 and 657 is proper. Anent respondents' appeal from the ruling of the Court dismissing their counterclaim for moral damages, We likewise find no basis for a reversal of the same.

Wherefore, the decision dated August 31, 1955, appealed from is hereby affirmed, with cost against appellants. It is so ordered.

Paras, C. J., Bengzon, Padilla, Bautista Angelo, and Labrador, JJ., concur. Montemayor, JJ., concurs in the result.

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