

Case Brief: *Paraguya v. Spouses Crucillo and Register of Deeds of Sorsogon*

Title:

Paraguya v. Spouses Crucillo and Register of Deeds of Sorsogon, 722 Phil. 513

Facts:

1. **Initial Claims**:

- On December 19, 1990, Laura E. Paraguya (petitioner) filed a complaint before the Regional Trial Court (RTC) of Gubat, Sorsogon against the Spouses Alma Escurel-Crucillo and Emeterio Crucillo (respondents) and the Register of Deeds of Sorsogon. She sought to annul Original Certificate of Title (OCT) No. P-17729 on grounds of fraud and deceit.
- Paraguya claimed she was the lawful heir to the properties left by her paternal grandfather, Ildefonso Estabillo, whereas Escurel was merely the administrator.

2. **Responses and Pre-trial Proceedings**:

- On January 18, 1991, the Register of Deeds denied involvement in any fraud, asserting that issuing OCT No. P-17729 was a ministerial duty.
- On February 7, 1991, Sps. Crucillo moved to dismiss the complaint due to laches and/or prescription. They argued that Escurel's father applied for and received a free patent for the properties in 1979.

3. **Trial Proceedings**:

- Paraguya presented evidence including a Recognition of Ownership and Possession document dated December 1, 1972, and a *titulo posesorio* from the late 19th century.
- Representatives from CENRO testified, confirming a lack of substantial ownership documentation from Escurel when applying for title.
- Sps. Crucillo provided witnesses asserting their possession of the properties since 1957 under the claim of ownership. They also presented affidavits ratifying and supporting the free patent application.

Issues:

1. Did the Court of Appeals (CA) err in dismissing Paraguya's complaint for annulment of title despite claims of fraud in obtaining the title?
2. Was the OCT No. P-17729 subject to the indefeasibility rule under Section 32 of the Property Registration Decree (PD 1529)?
3. Was Paraguya a real party-in-interest with valid legal standing, considering her reliance on a *titulo posesorio*?

Court's Decision:

Ruling on the Legal Issues:

1. **Indefeasibility and Prescription**:

- The Supreme Court affirmed the CA's decision that Paraguya's complaint was barred. Section 32 of PD 1529 states that after one year from the entry of a decree of registration, the title becomes incontrovertible and indefeasible. Since Paraguya filed her complaint more than eleven years after OCT No. P-17729's issuance, her action was untimely.

2. **Real Property Interest**:

- The court concluded that Paraguya was not a real party-in-interest. Under Section 1 of PD 892, Spanish titles, such as *titulo posesorio*, could no longer be used as evidence of ownership after six months from the decree's effectivity (August 16, 1976). Thus, Paraguya's reliance on an outdated Spanish title was invalid.

3. **Action for Reconveyance**:

- Paraguya's action for reconveyance similarly failed because it was filed beyond the ten-year prescriptive period post the title's issuance.

Doctrine:

- **Doctrine of Indefeasibility**: Under Section 32 of PD 1529, a Torrens title becomes incontestable and indefeasible after one year from its registration.

- **Prohibition of Spanish Titles**: Section 1 of PD 892 prevents the use of Spanish titles as evidence of land ownership post a six-month effectivity period.

Class Notes:

- **Key Elements**:

- **Indefeasibility of Title (PD 1529, Sec. 32)**: Titles become final and can no longer be contested after one year.

- **Prohibition of Spanish Titles (PD 892)**: Spanish titles are invalid as evidence if not registered under the Torrens system within a six-month timeframe.

- **Statutory Citations**:

- **PD 1529, Sec. 32**: "Review of decree of registration; Innocent purchaser for value."

- **PD 892, Sec. 1**: "Discontinuance of the Spanish Mortgage System."

Historical Background:

The case reflects the evolution of property law in the Philippines, particularly the transition from the Spanish Mortgage Law to the Torrens system, which was designed to simplify land

registration and establish conclusive proof of ownership. The enactment of PD 1529 and PD 892 demonstrates efforts to streamline land ownership verification and reduce disputes rooted in the earlier system. The restrictions on Spanish titles underscore the government's push to modernize property registration and eliminate ambiguities in land titling.