

Title:

J.M. Tuason & Co., Inc. vs. Quirino Bolaños, 95 Phil. 106 (1954)

Facts:

1. **Initial Filing**: J.M. Tuason & Co., Inc., represented by its managing partner Gregorio Araneta, Inc., filed an action in the Court of First Instance (CFI) of Rizal, Quezon City Branch, to recover possession of a piece of registered land in Barrio Tatalon, Quezon City.
2. **Complaint Amendments**:
 - The original complaint described the area as 13 hectares under Transfer Certificate of Title No. 37686.
 - It was first amended to reduce the area to 6 hectares after the defendant indicated the portion he occupied.
 - The second amendment further reduced the area based on plaintiff's surveyors indicating overlaps with another certificate, Transfer Certificate of Title No. 37677.
 - A third amendment expanded the area back to 13 hectares after defendant's surveyor testified to this extent.
3. **Defendant's Answer**: Quirino Bolaños denied the claim, asserting prescription and title in himself via adverse possession and claimed the original title was obtained fraudulently by the plaintiff without proper notification.
4. **Lower Court Decision**: The CFI ruled in favor of J.M. Tuason & Co., requiring Bolaños to restore possession to the plaintiff and pay monthly rent from January 1940 until he vacated the land.

Issues:

1. **Real Party in Interest**: Is J.M. Tuason & Co., Inc. the real party in interest, considering it is represented by Gregorio Araneta, Inc.?
2. **Admissibility of Third Amended Complaint**: Was it correct for the trial court to admit the third amended complaint?
3. **Motion to Strike**: Was it appropriate to deny the defendant's motion to strike?
4. **Scope of Land**: Did the trial court erroneously include land not involved in the litigation?
5. **Validity of Titles**: Is the land in dispute truly covered by Transfer Certificates of Title Nos. 37686 and 37677?
6. **Ownership**: Is Bolaños the rightful owner of the disputed land?
7. **Rent Obligation**: Was the amount of P132.62 per month from January 1940 justifiable?
8. **Reconveyance of Land**: Should the plaintiff be required to reconvey the land to Bolaños?

Court's Decision:

1. **Real Party in Interest**:

- The Supreme Court affirmed that J.M. Tuason & Co., Inc. is the real party in interest. It is permissible for it to be represented by Gregorio Araneta, Inc. as its managing partner, and nothing in the record suggests this representation is outside the business scope of either corporation.

2. **Admissibility of Third Amended Complaint**:

- The Court upheld the lower court's admission, citing Rule 17, Section 4 (Amendment to Conform to Evidence). Amendments to pleadings are acceptable even after judgment if they conform to the evidence presented without prejudice to the opposing party.

3. **Motion to Strike**:

- The Court found that the motion to strike was correctly denied since the amendments were in accordance with the Rules of Court.

4. **Scope of Land**:

- The Court determined that the evidence supported the inclusion of the land described in the third amended complaint, aligned with the combined testimonies of witnesses for both parties.

5. **Validity of Titles**:

- It was confirmed that the land in dispute was covered by the plaintiff's valid Torrens titles (Nos. 37686 and 37677), established under the Torrens system since 1914. Such title could not be disturbed due to the lapse of more than one year, and adverse possession claims cannot override Torrens titles.

6. **Ownership**:

- The Supreme Court ruled that Bolaños did not acquire ownership through adverse possession since such possession cannot defeat a Torrens title. Thus, the land in question remained under the rightful ownership of J.M. Tuason & Co., Inc.

7. **Rent Obligation**:

- The specified monthly rent of P132.62 was supported by evidence, with a stipulated rate of P10 per hectare for 13 hectares since 1940. The assertion of adverse possession undermined Bolaños's claim of paying rent.

8. **Reconveyance of Land**:

- The request for reconveyance by Bolaños was dismissed as it was dependent on proving prior errors, which the Court found unsubstantiated.

Doctrine:

The case underscores the inviolability of the Torrens system of land registration, emphasizing:

1. **Non-impugnability**: A Torrens title, once registered and after one year, is conclusive and cannot be subject to a collateral attack.
2. **Prescription and Adverse Possession**: Adverse possession cannot defeat a Torrens certificate of title.

Class Notes:

- **Real Party in Interest**: Entities can be represented by other corporations in legal actions.
- **Rule 17, Section 4**: Amendments allowed to pleadings to conform to the evidence.
- **Torrens System**:
- **Non-impugnability** (LRA Section 32): Certifies conclusive ownership.
- **Adverse Possession** (Act No. 496, Section 46): Cannot overrule Torrens title.
- **Case Relevance**: Demonstrates the robustness of Torrens titles against claims of adverse possession and fraud after a year of registration.

Historical Background:

This case took place in the post-World War II reconstruction era of the Philippines, during which land disputes were common due to the destruction of records and displacement of populations. The decision reinforced the stability and reliability of the Torrens system in the face of increasing property and land ownership litigations during a period when clarity and certainty in land ownership were crucial for national rebuilding and economic recovery.