FIRST DIVISION

[G.R. No. 206863. March 22, 2023]

PRYCE CORPORATION, *PETITIONER*, VS. ENGR. VICENTE PONCE (DECEASED), SUBSTITUTED BY VALERIANO, VENANCIO, VICENTE, VITALIANO, VIVENCIO ALL SURNAMED PONCE AND MA. VIRGINIA PONCE QUIZON, REPRESENTED BY ENGR. TEODORO PONDOC, *RESPONDENTS*.

D E C I S I O N

HERNANDO, J.:

For Our resolution is a Petition for Review on *Certiorari*[1] assailing the August 31, 2012 Decision[2] and the April 18, 2013 Resolution[3] of the Court of Appeals (CA) in CA-G.R. CV No. 02246, which affirmed *in toto* the August 17, 2007 Decision[4] of the Regional Trial Court (RTC), Branch 4, Iligan City.

Both the RTC and the CA declared respondent Vicente Ponce[5] (Ponce) as the rightful owner of the disputed five-hectare land located in Sta. Filomena, Iligan City, and covered by Transfer Certificate of Title No. (TCT) T-17,464 in his name.

Meanwhile, petitioner Pryce Corporation (Pryce) claims ownership over the same land by virtue of TCT 48,394 issued in its name.

The Relevant Antecedents

The history of the disputed five-hectare land dates all the way back to the year 1914.

In particular, on September 9, 1914, Prudencio Soloza (Prudencio) applied for a homestead patent over a 15-hectare lot in Sta. Filomena, Iligan City. Modesta Fabro (Modesta) opposed the application and claimed ownership over the 15-hectare lot, stating that she and her husband, Juan Quidlat (Juan) have cultivated and occupied the same land since 1904.

On October 11, 1924, the Bureau of Lands approved Prudencio's application and granted in his name Homestead Patent No. H-25364.[6] On April 21, 1925, Original Certificate of Title No. (OCT) 21[7] over the said 15-hectare lot was issued in Prudencio's name. Prudencio later

died in 1941.[8] Modesta and Juan also died sometime around the same year.

A civil case for recovery of possession (**recovery of possession case**) was thereafter instituted over the 15-hectare lot by Prudencio's heirs against siblings Geronima Quidlat and Martina Quidlat (Quidlat siblings), Modesta and Juan's heirs. The Court of First Instance (CFI) of Lanao decided in favor of Prudencio's heirs, ordering the Quidlat siblings to vacate the 15-hectare lot and restore its possession to Prudencio's heirs.[9] The Quidlat siblings appealed the decision of the CFI to the CA.[10]

Meanwhile, on October 8, 1948, OCT 21 was ordered reconstituted and OCT RP-62(21)[11] was issued in its stead, also in Prudencio's name.

On December 2, 1954, the CA issued a judgment[12] (**1954 CA Decision**) finding no merit in the Quidlat siblings' appeal of the CFI's decision on the recovery of possession case. The 1954 CA Decision became final and executory on January 5, 1955.[13]

Also, at around the same time, a cadastral case was commenced for the titling of several real properties in Sta. Filomena, Iligan City (**cadastral case**), which was docketed in the Regional Trial Court (RTC), Branch 1 of Iligan City (cadastral court).

Among these several properties involved in the cadastral case was Lot No. 1936 spanning 8.1 hectares, which is found within the 15-hectare lot under OCT RP-62(21).[14] On October 27, 1955, the Quidlat siblings filed their Answer to the cadastral case,[15] while Pedro Soloza (Pedro) filed his Answer on November 3, 1958,[16] both claiming ownership over Lot No. 1936.

History of transfers involving the 15-hectare lot under Prudencio's OCT RP-62(21) prior to Ponce's title

On October 22, 1957, Prudencio's reconstituted OCT RP-62(21) over the 15-hectare lot was cancelled and TCT T-31 (a.f.)[17] was issued in Pedro's name. Thereafter, Pedro sold the 15-hectare lot to Andres Achacoso (Achacoso), who was issued TCT T-430 (a.f.)[18] on September 1, 1961. On the same day, Achacoso sold the said lot to Lorenzo Lagandaon (Lagandaon), who procured TCT T-431[19] in his name.

On April 14, 1964, Lagandaon sold a five-hectare portion of the 15-hectare lot (subject

property) to Dionisio Ong.[20] The latter, on the same day, sold this five-hectare subject property to Ponce.[21] On May 28, 1979, Ponce registered the subject property under his name and was granted TCT T-17,464 (a.f.).[22] Ponce's tenant, Crispulo Arela (Crispulo), had allegedly been tilling the subject property since 1977. Evangeline Erio (Evangeline) succeeded her father, Crispulo, in tilling the subject property.

History of transfers over the 8.1-hectare Lot No. 1936 under the Quidlat siblings' names prior to Pryce's title

On October 4, 1993, the Quidlat siblings sold Lot No. 1936 to the spouses Richard and Norma Lim (Spouses Lim).[23]

On May 19, 1994 and after a decades-long litigation, the cadastral court resolved the cadastral case and awarded Lot No. 1936 to the Quidlat siblings (**1994 cadastral court Decision**). They were issued OCT O-1,164 (a.f.)[24] over the 8.1-hectare land on July 21, 1994.

On August 4, 1994, the Spouses Lim were issued TCT T-44,516 (a.f.).[25] Thereafter, they sold a 2.1-hectare-portion of Lot No. 1936 to Fidelita Hidalgo (known as Lot No. 1936-A). Thus, on April 19, 1995, TCT T-44,516 (a.f.) was cancelled and TCT T-46,661 (a.f.)[26] was issued in the name of Spouses Lim for the remaining six hectares.

On November 16, 1995, the Spouses Lim sold the remaining six-hectare portion of Lot No. 1936 to Pryce (known as Lot No. 1936-B).[27] On January 10, 1996, Pryce registered the six-hectare property under its name and TCT T- 48,394 (a.f.)[28] was issued therefor.

The present case between Ponce and Pryce

As it now stands, the six-hectare lot registered to Pryce under TCT T-48,394 (a.f.) overlaps the five-hectare subject property registered to Ponce under TCT T-17,464 (a.f.).

In 2003, Pryce began developing the land until it received demand letters[29] from Ponce asserting ownership over the subject property. Ponce demanded that Pryce cease its land

development activities thereon, but the same went unheeded.

Thus, on October 27, 2003, Ponce filed a complaint for quieting of title, reconveyance of property, and damages (Complaint) against Pryce, together with the Spouses Lim, the heirs of Geronima Quidlat, and Martina Quidlat, which was docketed with the RTC as Civil Case No. 6450.[30]

Ponce alleged that his claims of ownership began with Prudencio' s OCT RP-62(21) that initially covered 15 hectares of land and which included the subject property. He asserted that Pryce's predecessors-in-interest procured their title to the subject property through fraud, as the Quidlat siblings sold the subject property to the Spouses Lim on October 3, 1993 before the cadastral case had been decided in the Quidlat siblings' favor on May 19, 1994.[31]

Meanwhile, Pryce rooted its title to the subject property from the outcome of the cadastral case over Lot No. 1936 that was decided in favor of the Quidlat siblings. In its Amended Answer with Counterclaims,[32] Pryce alleged that the mother titles of Ponce's predecessors-in-interest to the subject property, specifically, Prudencio's Homestead Patent No. H-25364, OCTs 21 and RP-62(21), were fake and nonexistent, since there were several irregularities in the issuance thereof, and there was no official record of any application for or grant of a homestead patent in Prudencio's name. Pryce also insisted that the judicial award of Lot No. 1936 in favor of the Quidlat siblings *via* the 1994 cadastral court Decision was binding upon Pedro and his successors-in-interest, as Pedro actively participated in the proceedings of the cadastral case.[33]

The trial court ordered a Joint Relocation Survey where it was found that there was indeed, an overlapping of the properties.[34]

Ruling of the trial court

The trial court ruled in favor of Ponce. It credited the 1954 CA Decision affirming the CFI's judgment favoring the titles of Prudencio's heirs and Ponce's predecessors-in-interest. According to the trial court, the 1994 cadastral court Decision that sided with the Quidlat siblings did not bind Ponce, since the Quidlats' actuations in the cadastral court proceedings were fraudulent. The trial court validated the authenticity of Prudencio's OCTs 21 and RP-62(21); thus, Ponce's TCT T-17,464 (a.f.) is likewise valid. It also held that Prudencio obtained an earlier Torrens title than that of Pryce's predecessors-in-interest; hence, Ponce has a priority in right as Prudencio's successor-in-interest per the maxim, *prior est in*

tempore, potior est injure.[35]

In its August 17, 2007 Decision,[36] the trial court disposed of Ponce's Complaint as follows:

> WHEREFORE, premises all considered, judgment is hereby rendered in favor of the plaintiff, and against defendants Richard D. Lim and Norma T. Lim and Pryce Properties Corporation, as follows:
>
> 1. Declaring plaintiff Eng'r. Vicente T. Ponce as the lawful and registered owner of parcel of land situated at Sta. Filomena, Iligan City, covered by TCT No. T-17,464 (a.f.) with an area of 50,000 square meters;
>
> 2. Quieting the title of plaintiff under TCT No. 17,464 (a.f.), or removing the cloud therein by canceling and invalidating defendant Pryce Properties Corporation's TCT No. 48394 (a.f.) insofar as the 48,058 square meters' portion thereof which overlaps and encroaches upon the land of plaintiff, or ordering defendant Pryce to reconvey said 48,058 square meters portion covered by TCT No. T-48,394 (a.f.) to plaintiff;
>
> 3. Ordering defendants to jointly and solidarily pay plaintiff attorney's fees of P50,000.00;
>
> 4. Ordering defendants especially Pryce Properties Corporation to vacate the property under litigation and to completely stop the bulldozing and developing the area immediately from receipt of this Decision.
>
> SO ORDERED.[37]

Pryce, the Spouses Lim, Geronima's heirs, and Martina appealed[38] to the CA.

Ruling of the Court of Appeals

In its August 31, 2012 Decision,[39] the CA disposed of the appeal as follows:

> **ACCORDINGLY**, the appeal is DISMISSED for lack of merit. The appealed Decision is AFFIRMED *in toto*.

SO ORDERED.[40]

In so ruling, the appellate court held that Ponce's title was older, traceable from as early as the year 1925 when the government issued Prudencio's homestead patent over the 15-hectare lot. According to the CA, Pryce was unable to prove the alleged forgery of Prudencio's titles, more so that they enjoy the presumption of regularity of issuance. The CA also noted that since the subject property is a registered land, it cannot be the subject of a cadastral proceeding, and any title issued thereon is null and void. It likewise took cognizance of the final and executory 1954 CA Decision sustaining Ponce's title over the 15-hectare lot covering the subject property, and thus concluded that the cadastral court gravely erred in awarding Lot No. 1936 to the Quidlat siblings in its 1994 Decision. The CA denied Pryce's motion for reconsideration per its April 18, 2013 Resolution.[41]

Pryce alone filed this Petition before this Court.

Issues

Citing the following grounds, Pryce submits that the trial court, as affirmed by the CA, erred in awarding the subject property to Ponce:

A

THE [CA] GRAVELY ERRED IN AFFIRMING THE VALIDITY OF OCT No. 21 AND ITS RECONSTITUTION WHERE THE SAID TITLES ARE FAKE AND SPURIOUS, NOT HAVING BEEN PHYSICALLY SIGNED BY OFFICIALS SPECIFICALLY AUTHORIZED BY LAW AND/OR THE SAID TITLES BEING MARKED WITH BADGES OF INVALIDITY.

B

THE [CA] GRAVELY ERRED IN APPLYING THE "FIRST IN TIME, PRIOR IN RIGHT" RULE X X X IN THIS CASE WHERE THE EARLIER TITLE IS NULL AND VOID *AB INITIO*.

C

THE [CA] COMMITTED A GROSS ERROR IN RULING THAT THE [1954 CA DECISION] PREVAILS OVER THE [1994 CADASTRAL COURT DECISION] AND THAT THE CADASTRAL COURT HAD NO JURISDICTION IN ISSUING A CADASTRAL DECREE ADJUDICATING THE DISPUTED LOT TO PRYCE'S PREDECESSORS-IN-INTEREST.

D

THE [CA] GRAVELY ERRED IN NOT GRANTING PROBATIVE VALUE TO THE VARIOUS CERTIFICATIONS OF DEPARTMENT OFFICIALS AS TO THE NON-EXISTENCE OF THE ASSAILED HOMESTEAD PATENT AND OCT-21.

E

THE [CA] COMMITTED A GROSS ERROR IN NOT HOLDING THAT PRYCE, THROUGH ITS PREDECESSORS-IN-INTEREST, HAVE BEEN IN ACTUAL, ADVERSE, AND CONTINUOUS POSSESSION OF THE [SUBJECT] PROPERTY IN THE CONCEPT OF AN OWNER FOR MORE THAN 50 YEARS PRIOR TO THE QUIETING OF TITLE CASE, THAT PRYCE SHOULD BE PROTECTED BEING A PURCHASER IN GOOD FAITH AND FOR VALUE, AND THAT PONCE IS GUILTY OF LACHES.[42]

In sum, the sole issue to be resolved by this Court is who has a better right to the subject property?

Our Ruling

We rule in favor of Pryce. After carefully and painstakingly poring over all the evidence submitted in this case, We find the petition to be impressed with merit.

While the factual asseverations of the parties in their respective pleadings have already been carefully passed upon and reviewed by the trial and appellate courts, and generally, this Court is not a trier of facts, there are compelling and justifiable reasons for this Court

to revisit these factual findings in order to, once and for all, put an end to this decades-long dispute.

Prudencio's titles are marred by irregularities which render the same void and/or non-existent; thus, Ponce's title is likewise void

As a general rule, Section 48 of Presidential Decree No. (PD) 1529[43] or the Property Registration Decree proscribes a collateral attack to a certificate of title and allows only a direct attack thereof.[44]

Nevertheless, in several cases,[45] this Court has allowed a counterclaim as a means to directly attack the validity of the title of the plaintiff in a complaint. It was held that a counterclaim is essentially a complaint filed by the defendant against the plaintiff and stands on the same footing as an independent action.[46] Thus, this Court can rule on Pryce's counterclaim praying for the nullification of Prudencio's titles and consequently, that of Ponce's.

Here, there are two TCTs covering the subject property: 1) TCT T-48,394 in the name of Pryce; and 2) TCT T-17,464 in the name of Ponce. In *Degollacion v. Register of Deeds of Cavite*,[47] it was held that when there appears to have been two titles issued over the same property, the better approach is to trace the original certificate/s of title from which the certificates of title were derived, *viz*.:

> [W] here two *transfer* certificates of title have been issued on different dates, to two different persons, for the same parcel of land, even if both are presumed to be title holders in good faith, it does not necessarily follow that he who holds the earlier title should prevail. On the assumption that there was regularity in the registration leading to the eventual issuance of subject transfer certificates of title, the better approach is *to trace* the *original* certificates from which the certificates of title in dispute were derived. Should there be only one common original certificate of title, x x x, the *transfer* certificate issued on an earlier date along the line must prevail, absent any anomaly or irregularity tainting the process of registration.[48] (Italics in the original).

The respective TCTs of Pryce and Ponce did not originate from one common original certificate of title. Rather, Pryce's title originated from OCT 0-1,164 in the name of the Quidlats; while that of Ponce originated from OCT 21 and its reconstituted OCT RP-62(21) in the name of Prudencio.

Pryce vehemently attacks the validity of OCT 21 and its reconstituted OCT RP-62(21) for being fake and spurious on account of several irregularities either on the faces of these titles or in the issuance thereof, to wit:

a. Prudencio's Homestead Patent No. H-25364 and OCT 21 do not bear the actual physical signature of the Governor-General, nor the countersignature of the Secretary of Agriculture and Natural Resources as required under Act No. 2874;[49] instead, what they contain is the mere notation "SGD" opposite the designation of the required signatories.[50] Moreover, the entries in the body of OCT 21 and the entries "(Sgd) Leonard Wood" and "(Sgd) Silverio Apostol" appear to be made by one and the same person.[51]
b. The reconstituted title OCT RP-62(21) was in the form of a "Transfer Certificate of Title" with the word "TRANSFER" merely stricken out by typewriter keys and the word "ORIGINAL" was typed above the crossed-out word.[52] OCT RP-62(21), being a reconstituted title, did not bear the number of the Homestead Patent from which the original title is based. Moreover, it merely contained a typewritten and unsigned notation at the bottom of the face of the title instead of a memorandum signed or certified by the Register of Deeds.[53] OCT RP-62(21) was also merely signed by the recording clerk of the Register of Deeds, and not the provincial fiscals and attorneys for Moro provinces who performed the duties of Register of Deeds (Lanao being a Moro Province at that time) pursuant to the Administrative Code of the Philippines in force at that time.[54] It was also observed that OCT RP-62(21) was issued in 1925, so the notation "RP" which stands for "Republic" was not proper.[55]
c. The technical description of the reconstituted title shows that the land was surveyed by a certain Fernando M. Apostol, Jr. in March 1924; however, the certifications obtained and presented by Pryce show that there was no such employee with the Bureau of Lands at that time.[56]

A closer inspection of Prudencio's OCT 21 and OCT RP-62(21) would indicate that they

indeed bear several irregularities. However, while the trial court affirmed the presence of these irregularities, it merely brushed the same aside, *viz*.:

> The [c]ourt meticulously examined the title and found that all the necessary and pertinent data are written thereon. It was "Recorded in the Bureau of Lands under Volume 12, Page 516." This was the basis of the administrative reconstitution when the title was lost. *This also explains why all the entries therein were made by only one person, as clearly shown by the strokes of the pen, with particular emphasis to the signatures of the Acting Secretary of Agriculture and Natural Resources as well as the Governor-General of the Philippine Islands, as merely (Sgd) Silverio Apostol and (Sgd) Leonard Wood respectively. They were not the ones who actually signed the said document.*[57] (Italics supplied).

Since these titles were allegedly issued in 1924 and 1925, respectively, the provisions of Act No. 2874 or The Public Land Act would apply. Particularly, Sec. 105 thereof provides:

> **Section 105. All patents** or **certificates for lands** granted under this Act shall be prepared in the Bureau of Lands and shall issue in the name of the Government of the Philippine Islands **under the signature of Governor--General, countersigned by the Secretary of Agriculture and Natural Resources**, but such patents or certificates shall be effective only for the purposes defined in section one hundred and twenty-two of the Land Registration Act; and the actual conveyance of the land shall be effected only as provided in said section. (Emphasis and underscoring supplied)

In the case at bar, both the CA and the trial court gave credence to Prudencio's titles. Yet, it is readily apparent from the said titles that the same did not bear the actual signatures of the Governor-General and the Secretary of Agriculture and Natural Resources as mandated by law. Moreover, the courts brushed aside the fact that the entries in the titles as well as the notations "(Sgd) Silverio Apostol" and "(Sgd) Leonard Wood" appear to be made by one and the same person.

This Court has observed that the notation "Sgd" can be prefixed by any person and that the absence of actual signatures raises doubts as to the legitimacy of a document; it does not

show that the required signatory/ies gave their *imprimatur* on the transaction. Take for instance the case of *Spouses Yu Hwa Ping and Mary Gaw v. Ayala Land, Inc.*,[58] where this Court invalidated the survey conducted on the land subject of registration due to the absence of the actual signature of the Director of Lands; instead, the notation "Sgd" was simply indicated therein. The Court observed that the absence of the approval of the Director of Lands on Psu-80886 added doubt to its legitimacy.

Likewise, in *Lasquite v. Victory Hills, Inc.*,[59] (*Lasquite*) this Court observed that the copy of OCT 380 therein was signed not by the Secretary of Agriculture and Natural Resources, as mandated by law, but by the Secretary of Agriculture and Commerce, and through a mere notation "Sgd," *viz.*:

> Hence, it is plain to see that to give OCT No. 380 probative value in court would be to allow variance or an evasion or circumvention of the requirement laid down in Section 105 of Act No. 2874. We are thus warned that any title sourced from the flawed OCT No. 380 could be void. On this basis, we are justified to consider with great care any claims derived therefrom.[60]

Moreover, the courts below found no irregularity in the reconstituted title OCT RP-62(21) which was in the form of a "Transfer Certificate of Title" with the word "TRANSFER" merely stricken out by typewriter keys and the word "ORIGINAL" simply typed above the crossed-out word. The courts ratiocinated this by saying that it was done by an authorized government official.[61] However, nowhere in the said title was it indicated that the alterations were done by an authorized government official; there was also no countersignature on the amendment or erasure.

What also casts doubt on the existence or validity of Prudencio's titles are the certifications presented by Pryce, which the courts below simply brushed aside. To recall, Pryce presented a Certification dated June 7, 1993 issued by the Community Environment and Natural Resources Office (CENRO) XII-A that it had "no available pre-war records for Homestead No. 25364 in the name of Prudencio Solo[z]a x x x;"[62] and a Certification dated April 5, 1995 by the Land Management Bureau (LMB) (formerly, Bureau of Lands) that it "has no existing/available record of the alleged pre-World War II Homestead Application No. 25364 in the name of one Prudencio Solo[z]a, supposedly covering the parcel of land situated in Iligan City, described in plan H-25364; hence, its present actual status – whether patented or not – cannot be ascertained by this Office…"[63]

Likewise, Pryce was able to obtain a Certification dated September 20, 2000 from the Human Resources Section of the LMB that a certain Fernando M. Apostol, Jr., who supposedly conducted the survey in March 1924, was not an employee of the Bureau of Lands; a photocopy of a Professional Regulation Commission record also attests that "Fernando Apostol" was issued his license as a geodetic engineer only on September 2, 1966.[64]

As correctly pointed out by Pryce, the presentation in court of the said certifications on lack of record is sanctioned by Sec. 28, Rule 132 of the Rules of Court (Rules), *viz*.:

> Sec. 28. *Proof of lack of record*. – A written statement signed by an officer having custody of an official record or by his [or her] deputy, that after diligent search, no record or entry of a specified tenor is found to exist in the records of his [or her] office, accompanied by a certificate as above provided, is admissible as evidence that the records of his [or her] contain no such record or entry.

The above Rule authorizes the custodian of documents to certify that despite diligent search, a particular document does not exist in his or her office or that a particular entry of a specified tenor was not to be found in a register.[65] As custodians of public documents, the CENRO and the LMB are public officers charged with, *inter alia*, maintaining a register book where all patent applications are recorded. This is consistent with *Lasquite*[66] where the Court considered the absence of the OCT 380 in the records of the CENRO and the Bureau of Lands as indication of irregularity.

This Court cannot close its eyes to the abovementioned irregularities and/or defects in Prudencio's titles, upon which the title of Ponce was derived. Notably, Ponce submitted no substantial evidence to rebut the aforesaid irregularities or to validate the alterations by some other competent proof. It has been held that when a land registration decree is marred by severe irregularity that discredits the integrity of the Torrens system, the Court will not think twice in striking down such illegal title in order to protect the public against scrupulous and illicit land ownership.[67]

In Our conscientious assessment of the records, Pryce presented sufficient evidence to impugn the validity of Prudencio's titles; whereas Ponce failed to rebut these allegations and instead, relied merely on the presumption of validity and regularity in his title. Considering the numerous and unjustified irregularities in Prudencio's titles, these must be

declared void. Likewise, the transfer certificates and instruments of conveyances, including that of Ponce that relied on the anomalous mother titles of Prudencio, must be absolutely declared void *ab initio*.

The principle of first in time, prior in right rule does not apply when the prior title is void

Considering that Ponce's title is void, the priority in right given to a prior or earlier registrant would not apply in his favor.

In this jurisdiction, the general rule is that in case of two certificates of title purporting to include the same land, the earlier date prevails. However, this rule is not absolute and conclusive.[68] As discussed in the early case of *Legarda v. Saleeby*:[69]

> The question, who is the owner of land registered in the name of two different persons, has been presented to the courts in other jurisdictions. In some jurisdictions, where the "torrens" system has been adopted, the difficulty has been settled by express statutory provision. In others it has been settled by the courts. Hogg, in his excellent discussion of the "Australian Torrens System," at page 823, says: "The general rule is that in the case of two certificates of title, purporting to include the same land, the earlier in date prevails, whether the land comprised in the latter certificate be wholly, or only in part, comprised in the earlier certificate. x x x Hogg adds however that, "if it can be clearly ascertained by the ordinary rules of construction relating to written documents, that the inclusion of the land in the certificate of title of prior date is a mistake, the mistake may be rectified by holding the latter of the two certificates of title to be conclusive. x x x."
>
> In successive registrations, where more than one certificate is issued in respect of a particular estate or interest in land, the person claiming under the prior certificate is entitled to the estate or interest; and that person is deemed to hold under the prior certificate who is the holder of, or whose claim is derived directly or indirectly from the person who was the holder of the earliest certificate issued in respect thereof. x x x.[70]

Indeed, the circumstances attendant in this case warrant the application of the exception to the general rule.

It is true that Ponce is the prior registrant having registered the subject property on May 28, 1979, while Pryce only later in 1996. Contrary to the pronouncement of the courts below, however, We cannot vest upon Ponce such priority in right considering that his title is void, having been derived from void and non-existent titles of Prudencio. It is axiomatic that no one can transfer to another a right greater than that which one has; thus, the legal truism that the spring cannot rise higher than its source.[71]

Pryce is the first registrant in good faith

This Court may not also overlook the fact that not only can Ponce not claim priority in right on account that his title is void, but also because his registration thereof was tainted with bad faith.

It is an enshrined principle in this jurisdiction that registration is not a mode of acquiring ownership. A certificate of title merely confirms or records title already existing and vested. The indefeasibility of a Torrens title should not be used as a means to perpetrate fraud against the rightful owner of real property. Good faith must concur with registration because, otherwise, registration would be an exercise in futility. A Torrens title does not furnish a shield for fraud, notwithstanding the long-standing rule that registration is a constructive notice of title binding upon the whole world. The legal principle is that if the registration of the land is fraudulent, the person in whose name the land is registered holds it as a mere trustee.[72]

Moreover, it has been held that as between two buyers of the same immovable property registered under the Torrens system, the law gives ownership priority to (1) the first registrant in good faith; (2) then, the first possessor in good faith; and (3) finally, the buyer who in good faith presents the oldest title.[73] Verily, the act of registration must be coupled with good faith—that is, the registrant must have no knowledge of the defect or lack of title of his vendor or must not have been aware of facts which should have put him upon such inquiry and investigation as might be necessary to acquaint him with the defects in the title of his vendor.[74]

Here, a closer examination of the series of events that led to the registration by Ponce and

Pryce of their respective titles reveals who between them is the first registrant in good faith.

To recapitulate, the parties hinge their respective claims on two decisions. For Ponce, the 1954 CA Decision in the recovery of possession case, while for Pryce, the 1994 cadastral court Decision. The 1954 CA Decision became final in 1955. Meanwhile, at around the same time, the cadastral case was commenced and the Quidlat siblings (Pryce's predecessors-in-interest) filed their Answer on October 27, 1955; whereas Pedro (Ponce's predecessor-in--interest) filed his Answer on November 3, 1958, both claiming ownership over Lot No. 1936, which includes the subject property.

Then, after Pedro filed his Answer in 1958 and while the cadastral case was pending, he sold the subject property to Achacoso in 1961. Achacoso likewise actively participated in the said cadastral case. Then, the subject property was later transferred to Ponce who registered the same in his name in 1979 under TCT 17,464, still, while the cadastral case was pending.

Verily, Ponce's predecessors-in-interest actively participated in the cadastral case. While it was not alleged that Ponce himself participated in the cadastral case, it is improbable for him not to be aware of the cadastral case considering that it has been pending for more than 20 years already by the time he registered his title to the subject property in 1979.

In *Spouses Tan Sing Pan and Veranga v. Republic*,[75] the Court citing the early case of *Director of Lands v. Aba*,[76] held that the filing of an answer or claim with the cadastral court is equivalent to an application for registration of title to real property; it is thus an action *in rem* and the land registration court acquires jurisdiction over the res by service of processes in the manner prescribed by the statute. It has been held that a cadastral case being one *in rem*, any decision rendered therein by the cadastral court is binding against the whole world, including the government.[77]

Thus, by filing an Answer in the cadastral case, Pedro submitted his claim over Lot No. 1936, including the subject property, to the jurisdiction of the cadastral court. His successors-in-interest, Achacoso, who actively participated in the proceedings, and Ponce, the last transferee of the subject property, are therefore bound by the outcome therein. However, instead of awaiting the adjudication of the properties involved in the cadastral case, Ponce registered his title in 1979.

On the other hand, while it is true that the Quidlats sold the subject property to the Spouses

Lim in 1993, or before the cadastral decision came out on May 19, 1994, they were able to register the same in their name only on July 21, 1994; while the Spouses Lim, on August 4, 1994. Then, Pryce was able to register the subject property in its name under TCT T-48,394 only on January 10, 1996, or after the cadastral case has already been decided and has attained finality.

Thus, as opposed to Ponce who registered his title in 1979 while the cadastral case was pending, Pryce was able to register its title only after such cadastral case has already been decided.

As this Court had pronounced in *Spouses Sarmiento v. Court of Appeals*:[78]

> Verily, every person dealing with registered land may safely rely on the correctness of the certificate of title issued therefor and the law will in no way oblige him [or her] to go behind the certificate to determine the condition of the property. Thus, the general rule is that a purchaser may be considered a purchaser in good faith when he [or she] has examined the latest certificate of title. **An exception to this rule is when there exist important facts that would create suspicion in an otherwise reasonable man [or woman] to go beyond the present title and to investigate those that preceded it. Thus, it has been said that a person who deliberately ignores a significant fact which would create suspicion in an otherwise reasonable man [or woman] is not an innocent purchaser for value. A purchaser cannot close his [or her] eyes to facts which should put a reasonable man [or woman] upon his [or her] guard, and then claim that he [or she] acted in good faith under the belief that there was no defect in the title of the vendor.**[79] (Emphasis supplied)

With respect to Ponce, there were circumstances which would have prompted him to go beyond the face of the titles of his predecessors-in-interest *i.e.*, pending cadastral case which is a proceeding *in rem*, and the Answer of the Quidlats therein where they attacked the validity of Prudencio's titles.

Meanwhile, Pryce did not have the same circumstances so as to put it on guard in purchasing the subject property and to go beyond the face of the titles of its predecessors-in-interest. To reiterate, by the time Pryce bought the subject property in 1995, and

registered its title in 1996, the 1994 cadastral case Decision had already attained finality. Thus, Pryce had all the reasons to rely on the titles of its predecessors-in-interest which were based on the 1994 cadastral case Decision. Nevertheless, Pryce still conducted its own due diligence in purchasing and occupying the subject property, as can be seen from the records of the proceedings before the trial court.

Samuel Cinco, one of Pryce's witnesses, testified that before they purchased the subject property, they investigated and verified from the Register of Deeds the title of Richard Lim (Richard), and found that the same was a clean title, as there were no encumbrances and adverse claims thereon.[80] He also testified that they conducted a relocation survey where they found that there were tenants or occupants on the subject property but that they had already been cleared or compensated at the time Pryce took possession of the property.[81] Engr. Antonio O. Lagumbay also testified that when they conducted the relocation survey, the tenants were mostly of the Arela family, particularly Salvacion Arela and her siblings. Another tenant was a certain Evangelista married to Efren De Erio, who were tenants of the Quidlats, from whom Richard bought the subject property.[82] Fidelita Hidalgo also testified that Juan and his daughters, the Quidlat siblings, were the only ones living on Lot No. 1936. The Quidlat siblings continued to occupy the same even after their father's death; they vacated only after they sold the lot to the Spouses Lim.[83]

Pryce also presented several certifications from the pertinent government agencies showing that Lot No. 1936 subject of the cadastral case had not been previously titled or subject of any public land application: a) Certification dated December 3, 1990 that "the Heirs of Juan Quidlat are the survey claimants of Lot No. 1936;"[84] b) Certification dated May 25, 1993 by the Register of Deeds certifying that no title over Lot No. 1936 had been issued;[85] c) Certification dated May 27, 1994 issued by the Chief, Land Management Services of the CENRO XII-1A attesting that Lot No. 1936 was not covered by any public land application;[86] d) Certification dated June 27, 1994 issued by the Land Management Services of the DENR that Lot No. 1936 "was not sub-divided into sub-lots and none (sic) Public Land Application filed up to this date [xxx];"[87] and e) Letter issued in July 1994 by the DENR Region XII that Lot No. 1936 "is not a portion of any previously approved isolated survey [xxx]"[88]

These certifications can be admitted under Sec. 28, Rule 132 of the Rules, as discussed earlier. The CA, however, did not give credence to these certifications since the officers who issued the same were not presented. For the CA, these cannot be considered as entries in public records under Sec. 23 of Rule 132 and are thus not *prima facie* evidence of the facts stated therein. Nonetheless, We find and so hold that these certifications can also be

admitted and given weight not necessarily to prove the contents thereof, but to show Pryce's good faith and due diligence in purchasing the subject property.

Thus, after due consideration of all the facts at hand, while Ponce is the earlier registrant in 1979, Pryce is the first registrant in good faith in 1996. Contrary to the pronouncements of the courts below, the "*prior in time, priority in right*" rule would not automatically apply just because Ponce registered his title earlier. The fact that Ponce's title sprung from Prudencio's void titles, and his registration was tainted with bad faith, militates against the application of this general principle.

Ponce is guilty of laches

Notably, nothing in the records would show that Ponce appealed the 1994 cadastral case Decision which affected the subject property. It was only in 2003, or almost a decade after, when he was allegedly alerted of Pryce's activities on the subject property, that he instituted this Complaint. Moreover, that he was allegedly alerted of Pryce's activities on the subject property only in 2003 contradicts his allegation that he was already occupying the subject property, through his tenant, since 1977. If this were true, he would have been alerted in 1996 when Pryce registered its title and entered the subject property. However, as testified to by Pryce, it has been in peaceful possession since 1996 and no one had disturbed its occupation until Ponce wrote them a letter in 2003.[89]

Thus, Ponce is guilty of laches.

Laches has been defined as the failure or neglect for an unreasonable and unexplained length of time to do that which by exercising due diligence, could or should have been done earlier, thus, giving rise to a presumption that the party entitled to assert it either has abandoned or declined to assert it.[90]

In addition, Pryce's predecessors-in-interest, the Quidlat siblings, have already attacked the validity of Prudencio's titles in the cadastral case as early as 1955. In view of the pending cadastral case affecting the property which he bought from Achacoso, Ponce should have been put on guard, and should have actively participated in the cadastral proceedings to prove the origin and validity of his title. There is nothing in the records, however, that would show that Ponce actively participated in such cadastral proceeding to validate and enforce Prudencio's titles upon which his title was based.

The cadastral court validly took cognizance of the cadastral case

In the presently assailed CA Decision, the appellate court ruled that the cadastral court should not have taken cognizance of the cadastral case considering that the 1954 CA Decision in the recovery of possession case had already attained finality and thus constitutes *res judicata*; and also, because the subject property was already registered. We disagree.

As correctly pointed out by Pryce, the cadastral case was initiated by the government, through the Director of Lands, who included the lands in the cadastral proceedings after finding that they are not yet registered or titled. The cadastral court allowed oppositors or claimants precisely to prove their claims or titles on the lands subject of the case.

Here, Pedro submitted to the cadastral court the 1954 CA Decision in the recovery of possession case. However, the cadastral court rejected the same for being a mere photocopy, and because Prudencio's successors-in-interest did not enforce such judgment.

It can be argued that the cadastral court could have taken judicial notice of the 1954 CA Decision. In *Estate of Bueno v. Peralta, Jr.*,[91] this Court held that:

> A court will take judicial notice of its own acts and records in the same case, of facts established in prior proceedings in the same case, of the authenticity of its own records of another case between the same parties, of the files of related cases in the same court, and of public records on file in the same court. In addition judicial notice will be taken of the record, pleadings or judgment of a case in another court between the same parties or involving one of the same parties, as well as of the record of another case between different parties in the same court. x x x.[92]

Regardless, even if the cadastral court were to take judicial notice of the 1954 CA Decision since it involves practically the same property and parties (Prudencio's heirs versus the Quidlats), the findings of the court therein on the issue of ownership do not constitute *res judicata* that would be binding against the cadastral court.

The doctrine of *res judicata* is set forth in Sec. 47 of Rule 39[93] of the Rules. This provision

comprehends two distinct concepts of *res judicata*: (1) bar by former judgment and (2) conclusiveness of judgment. The first aspect is the effect of a judgment as a bar to the prosecution of a second action upon the same claim, demand or cause of action. The second aspect precludes the relitigation of a particular fact of issue in another action between the same parties on a different claim or cause.[94]

This Court has reiterated that the issue of ownership in a recovery of possession case is not conclusive. Ownership or the right to possess arising from ownership is not at issue in an action for recovery of possession. The parties cannot present evidence to prove ownership or right to legal possession except to prove the nature of the possession when necessary to resolve the issue of physical possession.[95] An *accion publiciana* is a plenary action to recover the right of possession; it is an ordinary civil proceeding to determine the better right of possession of realty independently of title.[96]

In *The Heirs of Cullado v. Gutierrez*,[97] the Court explained that courts where an *accion publiciana* case is lodged may also rule on the issue of ownership albeit not conclusive, *viz.*:

> While there is no express grant in the Rules of Court that the court wherein an *accion publiciana* is lodged can provisionally resolve the issue of ownership, unlike an ordinary ejectment court which is expressly conferred such authority (albeit in a limited or provisional manner only, *i.e.*, for purposes of resolving the issue of possession), there is ample jurisprudential support for upholding the power of a court hearing an *accion publiciana* to also rule on the issue of ownership.
>
> In *Supapo v. Sps. de Jesus* (*Supapo*), the Court stated:
>
> > In the present case, the Spouses Supapo filed an action for the recovery of possession of the subject lot but they based their better right of possession on a claim of ownership [based on Transfer Certificate of Title No. C-28441 registered and titled under the Spouses Supapo's names.
> >
> > This Court has held that the objective of the plaintiffs in *accion publiciana* is to recover possession only, not ownership. However, where the parties raise the issue of ownership, the courts may pass

> upon the issue to determine who between the parties has the right to possess the property.
>
> This adjudication is not a final determination of the issue of ownership; it is only for the purpose of resolving the issue of possession, where the issue of ownership is inseparably linked to the issue of possession. The adjudication of the issue of ownership, being provisional, is not a bar to an action between the same parties involving title to the property. The adjudication, in short, is not conclusive on the issue of ownership.

The Court, recognizing the nature of *accion publiciana* as enunciated above, did not dwell on whether the attack on Spouses Supapo's title was direct or collateral. It simply, and rightly, proceeded to resolve the conflicting claims of ownership. The Court's pronouncement in *Supapo* upholding the indefeasibility and imprescriptibility of Spouses Supapo's title was, however, subject to a Final Note that emphasized that even this resolution on the question of ownership was not a final and binding determination of ownership, but merely provisional:

> ***Final Note***
>
> As a final note, we stress that our ruling in this case is limited only to the issue of determining who between the parties has a better right to possession. This adjudication is not a final and binding determination of the issue of ownership. As such, this is not a bar for the parties or even third persons to file an action for the determination of the issue of ownership.

From the foregoing, the Court thus clarifies here that in an *accion publiciana*, the defense of ownership (*i.e.*, that the defendant, and not the plaintiff, is the rightful owner) will **not** trigger a collateral attack on the plaintiffs Torrens or certificate of title because the resolution of the issue of ownership is done only to determine the issue of possession.[98] (Citations omitted. Emphasis in the original.)

Given that the complaint of Prudencio's heirs was only for an *accion publiciana*, the

resolution in the 1954 CA Decision on the issue of ownership was not conclusive, and only for the purpose of determining the issue on possession. Thus, it cannot bar or serve as *res judicata* to a subsequent case for adjudication on ownership, such as the cadastral case. The cadastral court, therefore, did not err in taking cognizance of the cadastral case.

Likewise, the cadastral court rejected the title of Pedro and OCTs 21 and RP-62(21) on the ground that they were mere photocopies and the officers who issued the same were not presented. There is nothing in the records that would show that Pedro or Achacoso was able to prove the validity of their titles. In other words, Prudencio's titles, and that of Pedro's and later, Achacoso's, were not proven to be valid and existing in the cadastral case. As We have previously mentioned, Ponce did not participate in the cadastral case to prove his ownership or the validity of his predecessors-in-interest's titles.

Meanwhile, the cadastral court reasonably relied on the evidence and certifications presented by the Quidlats showing their entitlement to Lot No. 1936. We find that their active participation in the cadastral case, which touched upon the issue on the ownership of Lot No. 1936, may explain their failure to further appeal the 1954 CA Decision which only involves the issue of possession.

Cadastral proceedings, like ordinary registration proceedings, are proceedings *in rem*, and are governed by the usual rules of practice, procedure, and evidence. A cadastral decree and a certificate of title are issued only after the applicants prove all the requisite jurisdictional facts: that they are entitled to the claimed lot; that all parties are heard; and that evidence is considered.[99] There being no allegation or proof that the cadastral proceedings were attended by irregularities, fraud, or errors, We have no reason to disturb the judgement therein and the consequent titles issued in accordance therewith. To invalidate the cadastral proceedings and the decision which was rendered after decades--long litigation on the basis of a case for recovery of possession would disrupt the established principles in land registration.

With all these in consideration, We rule that the CA erred in affirming the trial court. The subject property should be adjudicated in favor of Pryce.

WHEREFORE, the Petition is **GRANTED**. The August 31, 2012 Decision and the April 18, 2013 Resolution of the Court of Appeals in CA-G.R. CV No. 02246 are **REVERSED** and **SET ASIDE**. The Complaint for Quieting of Title or Reconveyance, and Damages filed by Vicente Ponce is **DISMISSED** for lack of merit.

Accordingly, the counterclaim of Pryce Corporation is **GRANTED**. Let a new judgment be entered as follows:

a. **DECLARING** Transfer Certificate of Title No. T-48,384 in the name of Pryce Corporation as **VALID** and **BINDING** against the whole world;
b. **DECLARING** Original Certificate of Title No. 21 and Original Certificate of Title No. RP-62(21), and all titles derived therefrom as **NULL** and **VOID *AB INITIO***; and
c. **ORDERING** the Register of Deeds to **CANCEL** Transfer Certificate of Title No. 17,464 (a.f.) in the name of Vicente Ponce and all titles prior thereto.

Pryce Corporation's counterclaims for damages, attorney's fees, and other costs are **DENIED** for lack of substantial basis.

Petitioner's Manifestation stating that it already received a copy of the March 23, 2022 Resolution on April 12, 2022 and that it already filed its compliance dated July 1, 2020 on July 1, 2020, is **NOTED**.

SO ORDERED.

Gesmundo, C.J. (Chairperson), Zalameda, and *Rosario, JJ.*, concur.
Marquez,[*] *J.*, on official business.

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[*] On official business.

[1] *Rollo*, pp. 15-49 (sans annexes).

[2] *Id.* at 51-64. Penned by Associate Justice Edgardo T. Lloren and concurred in by Associate Justices Maria Elisa Sempio Diy and Jhosep Y. Lopez (now a Member of the Court).

[3] *Id.* at 11-15. Penned by Associate Justice Edgardo T. Lloren and concurred in by Associate Justices Henri Jean Paul B. Inting and Jhosep Y. Lopez (now both Members of the Court).

[4] *Id.* at 118-166. Penned by Presiding Judge Moslemen T. Macarambon.

[5] Respondent Vicente Ponce passed away on January 3, 2017 per the Manifestation and Substitution of Party dated September 18, 2017, *id.* at 258-260. He is substituted by his

heirs namely, Valeriano G. Ponce, Venancio G. Ponce, Ma. Virginia Ponce-Quiazon, Vicente G. Ponce, Jr., Vitaliano G. Ponce, and Vivencio G. Ponce. The said heirs authorized Engr. Teodoro C. Pondoc to represent them in this case.

[6] Records, Vol. II, p. 444.

[7] *Id.*

[8] Per December 2, 1954 CA Decision, *id.* at 456.

[9] *Id.* at 454-460.

[10] *Id.*

[11] *Id.* at 445.

[12] *Id.* at 454-460.

[13] *Rollo*, p. 103.

[14] *Id.* at 189.

[15] Per Ponce's Appellant's Brief filed before the CA in CA-G.R. CV No. 02246, CA *rollo*, p. 48.

[16] *Id.* at 49.

[17] Records, Vol. II, p. 446.

[18] *Id.* at 447.

[19] *Id.* at 448.

[20] *Id.* (Dorsal page.)

[21] *Id.* Also see Deed of Absolute Sale between Ong and Ponce but which reflects *April 14, 1964* as date of instrument, records, Vol. I, pp. 166-168.

[22] *Id.* at 164.

[23] *Id.* at 172-173.

[24] *Id.* at 169.

[25] *Id.* at 174.

[26] *Id.* at 182-183.

[27] *Id.* at 175-177.

[28] *Id.* at 178.

[29] *Id.* at 26.

[30] *Id.* at 1-9.

[31] *Id.* at 2-5

[32] *Id.* at 61-71.

[33] *Id.* at 65-69

[34] *Id.* at 121.

[35] *Rollo*, pp. 158-164.

[36] *Id.* at 117-166.

[37] *Id.* at 165-166.

[38] CA *rollo*, pp. 34-65.

[39] *Rollo*, pp. 51-65.

[40] *Id.* at 64.

[41] *Id.* at 51-64.

[42] *Rollo*, p. 25.

[43] Entitled "AN ACT AMENDING AND CODIFYING THE LAWS RELATIVE To REGISTRATION OF PROPERTY AND FOR OTHER PURPOSES." Approved: June 11, 1978.

[44] **Section 48.** *Certificate not subject to collateral attack*. A certificate of title shall not be

subject to collateral attack. It cannot be altered, modified or cancelled except in a direct proceedings in accordance with law.

[45] See **Firaza, Sr. v. Spouses Ugay**, 708 Phil. 24, 29 (2013); **Sampaco v. Lantud**, 669 Phil. 304, 320 (2011); and **Development Bank of the Philippines v. Court of Appeals**, 387 Phil. 283, 300 (2000).

[46] **Development Bank of the Philippines v. Court of appeals**, *supra*.

[47] 531 Phil. 501 (2006).

[48] *Id.* at 508-509.

[49] Entitled "AN ACT TO AMEND AND COMPILE THE LAWS RELATIVE TO LANDS OF THE PUBLIC DOMAIN, AND/FOR OTHER PURPOSES." Approved: November 29, 1919.

[50] *Rollo*, pp. 26-27.

[51] *Id.* at 29.

[52] *Id.* at 30.

[53] *Id.*

[54] *Id.* at 21.

[55] *Id.* at 144.

[56] *Id.* at 31.

[57] *Id.* at 158-159.

[58] 814 Phil. 468, 503 (2017).

[59] 608 Phil. 418 (2009).

[60] *Id.* at 431-432.

[61] *Rollo*, pp. 57 and 159.

[62] *Id.* at 40. Attached as Annex "J-3" to the Petition.

[63] *Id.* Attached as Annex "J-7" to the Petition.

[64] *Id.* at 31, 146.

[65] See **Ado-an-Morimoto v. Morimoto, G.R. No. 247576**, March 15, 2021.

[66] *Supra*.

[67] See **Spouses Yu Hwa Ping and Mary Gaw v. Ayala Land, Inc.**, *supra* note 58.

[68] *Id.*

[69] 31 Phil. 590 (1915).

[70] *Id.* at 595-596.

[71] **Ocampo v. Ocampo**, 471 Phil. 519, 535 (2004).

[72] See **Heirs of Ermac v. Heirs of Ermac**, 451 Phil. 368, 377 (2003).

[73] See **Spouses Abrigo v. De Vera**, 476 Phil. 641, 650 (2004); See also Article 1544 of the Civil Code.

[74] **San Lorenzo Development Corporation v. Court of Appeals**, 490 Phil. 7, 23 (2005).

[75] 528 Phil. 623, 630-631 (2006).

[76] 68 Phil. 85, 89 (1939).

[77] **Nieto v. Quines**, 110 Phil. 823, 824 (1961).

[78] 507 Phil. 101 (2005).

[79] *Id.* at 127-129.

[80] *Rollo*, p. 133.

[81] *Id.* at 134-135.

[82] *Id.* at 140-141.

[83] *Id.* at 141.

[84] *Id.* at 40; Attached as Annex "J-1" to the Petition.

[85] *Id.*; Attached as Annex "J-2" to the Petition.

[86] *Id.*; Attached as Annex "J-4" to the Petition.

[87] *Id.*; Attached as Annex "J-5" to the Petition.

[88] *Id.*; Attached as Annex "J-6" to the Petition.

[89] *Id.* at 135.

[90] **GF Equity, Inc. v. Valenzona**, 501 Phil. 153, 166 (2005).

[91] **G.R. No. 248521**, August 1, 2022, citing **Republic v. Court of Appeals**, 343 Phil. 428, 437 (1997).

[92] *Id.*

[93] **Section 47.** *Effect of judgments or final orders.* — The effect of a judgment or final order rendered by a court of the Philippines, having jurisdiction to pronounce the judgment or final order, may be as follows:

(a) In case of a judgment or final order against a specific thing, or in respect to the probate of a will, or the administration of the estate of a deceased person, or in respect to the personal, political, or legal condition or status of a particular person or his relationship to another, the judgment or final order is conclusive upon the title to the thing, the will or administration or the condition, status or relationship of the person, however, the probate of a will or granting of letters of administration shall only be *prima facie* evidence of the death of the testator or intestate;

(b) In other cases, the judgment or final order is, with respect to the matter directly adjudged or as to any other matter that could have been missed in relation thereto, conclusive between the parties and their successors in interest, by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity; and

(c) In any other litigation between the same parties or their successors in interest, that only is deemed to have been adjudged in a former judgment or final order which appears upon its face to have been so adjudged, or which was actually and necessarily included therein or necessary thereto.

[94] **Degayo v. Dinglasan**, 757 Phil. 376, 383 (2015), citing **Salud v. Court of Appeals**, 303

Phil. 397, 404-405 (1994).

[95] **Pajuyo v. Court of Appeals**, 474 Phil. 557, 578 (2004).

[96] See **The Heirs of Cullado v. Gutierrez, G.R. No. 212938**, July 30, 2019.

[97] *Id.*

[98] *Id.*

[99] See **Spouses Tan Sing Pan and Veranga v. Republic**, *supra* note 75.

Date created: October 18, 2023