

A.D. GUERRERO, PHILIPPINE NATIONAL BANK AND SHERIFF OF QUEZON CITY, PETITIONERS, VS. MERCEDES P. JUNTILLA AND COURT OF APPEALS, RESPONDENTS.

G.R. No. L-33166. May 29, 1989

Ponente: GUTIERREZ, JR., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/09bd921eee76/>

GUTIERREZ, JR., J.:

This petition for certiorari seeks to annul and set aside the decision of the respondent Court of Appeals which upheld the denial by the trial court of the petitioners' motion to dismiss on the grounds that the said trial court has jurisdiction over the case below, that the private respondent has a cause of action against the petitioners and that the same has not prescribed and is not barred by *res judicata*.

The facts are stated in the questioned decision of the appellate court, to wit:

"On February 6, 1957, a decision was rendered by the Court of First Instance of Manila in Civil Case No. 30159, entitled 'Philippine National Bank v. Mindanao Deep Development and Alipio Juntilla', ordering the defendants therein to pay the plaintiff the sum of P12,125.10, as of December 16, 1955, plus interest (Annex 1 of Annex B, Petition).

"On May 11, 1957, the court issued an order authorizing the issuance of a writ of execution (Annex 2 of Annex B, Petition).

"On May 14, 1957, a notice of levy of attachment was annotated at the back of Transfer Certificate of Title No. 30589 covering the property located at No. 111 West Riverside St., San Francisco del Monte, Quezon City, and registered in the name of Alipio M. Juntilla, married to Mercy P. Juntilla (Annex 3 of Annex B, Petition).

"On April 21, 1958, the property was sold by the Sheriff of Quezon City at public auction to the Philippine National Bank for the amount of P7,000.00 and the corresponding certificate of sale was issued to said buyer on February 23, 1959 (Annex 4 of Annex B, Petition).

"On January 16, 1965, the court issued an order directing the Register of Deeds of Quezon City to cancel TCT No. 30589 and to issue, in lieu thereof, a new title in the name of the Philippine National Bank, and directing the Sheriff of Quezon City to deliver possession of the property covered by said title to the Philippine National Bank (Annex 5 of Annex B, Petition).

"On April 10, 1965, the court, acting upon a motion for reconsideration filed by the defendants, issued an order reiterating its order of January 16, 1965 (Annex 6 of Annex B, Petition). A motion for reconsideration of said order was denied in an order issued on May 8, 1965 (Annex 7 of Annex B, Petition). The second motion for reconsideration was also denied in an order issued on May 22, 1965 (Annex 8 of Annex B, Petition).

"On May 14, 1968, the court, after disallowing the appeal intended to be taken by the defendants from the above-mentioned orders (Annexes 9 to 12 of Annex B, Petition), issued an order authorizing the issuance of an alias writ of execution commanding the Sheriff of Quezon City to eject from the property covered by TCT No. 97906 in the name of the Philippine National Bank not only the defendant Alipio Juntilla but all persons

claiming under him (Annex 13 of Annex B, Petition).

"In his return dated June 5, 1968, the Sheriff of Quezon City certified, among other things, 'that on May 23, 1968, copy of the alias writ was served upon the defendants - MINDANAO DEEP DEVELOPMENT COMPANY INCORPORATED and ALIPIO JUNTILLA, both at No. 111 West Riverside Street, Quezon City, by leaving said copies in the hands of Gilda Cortes, living in the same house with sufficient discretion to receive such kind of process and who acknowledged receipt thereof; that on the same date, said defendant was given ten (10) days within which to vacate the premises in question voluntarily'; that on June 3, 1968, he revisited the subject matter of the writ and found out that said defendants were still occupying the premises in question and still refused to vacate the same; and on June 4, 1968, he ejected the said defendants and delivered possession of TCT No. 97906 of the Register of Deeds of Quezon City, to the Philippine National Bank - thru the authorized representative, Mr. Florencio R. Tandoc (Annex 17 of Annex B, Petition).

"Thereafter, the Philippine National Bank transferred the physical possession of the property to A.D. Guerrero who bought the same on January 8, 1968, under the terms of the Deed of Promise to Sell executed by and between them on February 23, 1968.

"On June 6, 1968, the herein private respondent Mercedes P. Juntilla, wife of Alipino Juntilla (one of the defendants in Civil Case No. 30159 of the Court of First Instance of Manila), filed a complaint before the Court of First Instance of Rizal, Quezon City Branch, where it was docketed as Civil Case No. 12160 (Annex A, Petition), seeking the nullification of the sale of the property at No. 111 West Riverside St., San Francisco del Monte, Quezon City, and the issuance of a writ of preliminary injunction directed against the Philippine National Bank and all persons claiming under it and the Sheriff of Quezon City to restore her in possession of the property and to refrain from further acts of dispossession against her. She alleged that the obligations incurred by the defendants in favor of the plaintiff, as found in Civil Case No. 30159 of the Court of First Instance of Manila, were corporate and not conjugal in nature so that her undivided one half (1/2) of the property in question cannot be made to answer therefore. She also alleged that she had been in possession of the property for sometime before June 4, 1968, in her own right by virtue of a judgment rendered by the Juvenile Court of Manila in Civil Case No. B-00503 for the dissolution of the conjugal partnership recognizing her sole ownership over said property and a lease agreement entered into in open court, in actual possession over the said property under her legal right and by her instructions.

"On June 11, 1968, petitioner A.D. Guerrero filed a motion to intervene. He and the petitioner, Philippine National Bank, filed an opposition to the issuance of a writ of preliminary mandatory injunction (Annex B, Petition).

"On July 1, 1968, the respondent Judge issued an order granting private respondent's prayer for preliminary mandatory injunction upon the filing of a bond of P5,000.00. At the same time, petitioner Guerrero's intervention was also granted (Annex D, Petition).

"On July 10, 1968, petitioners A.D. Guerrero and the Sheriff of Quezon City filed a motion for reconsideration of the order of July 1, 1968, granting the injunction (Annex E, Petition). At the hearing of said motion on July 13, 1968, the respondent Judge declined to reconsider and, instead, directed petitioner A.D. Guerrero to file a counter-bond in the sum of P10,000.00. Said bond was filed on the same day (p. 7, par. 8, Petition).

On July 15, 1968, petitioner A.D. Guerrero filed a motion adopting the joint motion to dismiss filed on July 1, 1968 by petitioners Philippine National Bank and Sheriff of Quezon City (Annex F, Petition).

"On August 7, 1968, as directed by the court, the Philippine National Bank posted a counter-bond in the sum of P20,000.00 thereby lifting the writ of preliminary injunction issued earlier (p. 8, par. 10, Petition).

"On February 22, 1969, the respondent Judge issued an order denying the petitioners' joint motion to dismiss (Annex H, Petition).

"On May 14, 1969, the petitioners filed a joint motion for reconsideration of the order of February 22, 1969 (Annex I, Petition), but the same was denied by the respondent Judge in an order dated October 22, 1969 (Annex J, Petition). (Rollo, pp. 21-26)

On appeal, the appellate court dismissed the petitioners' petition on the grounds that the trial court has jurisdiction over the subject matter of the case below considering that what is being sought therein specifically is not the nullification of the decision in Civil Case No. 30159, but the nullification of the auction sale of the property in dispute which the private respondent claims to be conjugal in nature and, as such, could not be held liable for a corporate obligation without her knowledge and consent; that therefore, there is also no *res judicata*; that the said private respondent had a valid cause of action and that the respondent's action has not prescribed since the latter filed the action only on June 16, 1968 and even if the counting of the four-year prescriptive period be reckoned from the cancellation of her title, still said respondent's right to recover possession has not yet prescribed.

In this present case, the petitioners principally contend that the private respondent's action below had already prescribed because the four-year period should be reckoned from the registration of the petitioner bank's certificate of sale in 1959. Considering that the same covered the whole property, the respondent, therefore, had constructive notice of such sale. Furthermore, they argue that the private respondent was also placed on notice when the levy and attachment was annotated at the back of the title on May 14, 1957, and, as a matter of fact, the respondent even signed the agreement to postpone the sale, she, being the treasurer of Mindanao Deep Development Co., but that the respondent failed to assert whatever right she had on the property and neither did she file any third-party claim or an action to recover her conjugal share. In addition, the petitioners state that the amended decision of the then Juvenile and Domestic Relations Court (JDRC) awarding the property to the respondent was only rendered in 1968, long after the petitioner bank had registered its interest in 1959 and obtained title in 1965. The petitioners, therefore, maintain that their motion to dismiss filed below should have been granted on the ground that the respondent's action had already prescribed.

We agree.

The records will bear out the fact that when the property in dispute was levied upon, the private respondent knew about it because she was the treasurer of the Mindanao Deep Development Co., and as such, she even signed the agreement to postpone the sale. If she had any interest in the property, she should have asserted the same during that time; and since the petitioner Bank was able to obtain a certificate of sale and registered it in 1959, the private respondent is deemed to have constructive notice of the same as early as 1959.

Thus, in the case of *Heirs of Maria Marasigan v. Intermediate Appellate Court*, (152 SCRA 253, 259-260 [1987]), we ruled:

"There is a clear showing that although the late Maria Marasigan acquired the property in question from the Bazars pursuant to a deed of absolute sale on December 18, 1974 or a little over four months before the filing of Civil Case No. 97479, the transaction became effective as against third persons only on July 5, 1977 when it was registered with the Registry of Deeds of Manila. It is the act of registration which creates constructive notice to the whole world. Section 51 of Act 496, as amended by Section 52 of the Property Registration Decree (P.D. 1529) provides:

"Sec. 52. Constructive notice upon registration. - Every conveyance x x x affecting registered land shall, if registered, filed or entered in the office of the Register of Deeds for the province or city where the land to which it relates lies, be constructive notice to all persons from the time of such registering, filing or entering."

The private respondent, therefore, should have opposed the petitioner Bank's registration of certificate of sale of

the whole property if indeed she claims that one-half of the said property belongs to her.

Furthermore, the respondent, was unable to prove fraud or any irregularity in the issuance of the title. Hence, she did not make any move at that time. It, thus, follows that she cannot also avail of the action for reconveyance which must be filed within four (4) years from the discovery of fraud. The only fact that respondent asserts is that the property is conjugal and what was levied upon was only her husband's share and not hers, and, therefore, the sale was void in so far as her share was concerned which is, one half of the property. But aside from doing nothing within the prescriptive period stated above, the private respondent did not present any evidence that the property was conjugal. She was able to present only the decision of the JDRC in 1968, three years after the Bank had obtained title to the property. Thus, since the respondent failed to present any evidence during the levy and sale of the property that the same was acquired during her marriage with her husband, the judgment-debtor, the presumption that the levied property was conjugal cannot apply since the title of the property was in the name of her husband and only described him as "married to" the respondent. In *Moises Jocson v. Hon. Court of Appeals, et al.*, (G.R. No. 55322, February 16, 1989), we ruled:

"It is thus clear that before *Moises Jocson* may validly invoke the presumption under Article 160 he must first present proof that the disputed properties were acquired during the marriage of *Emilio Jocson* and *Alejandra Poblete*. The certificate of title, however, upon which petitioner rests his claim is insufficient. The fact that the properties were registered in the name of 'Emilio Jocson, married to Alejandra Poblete' is no proof that the properties were acquired during the spouses' coverture. Acquisition of title and registration thereof are two different acts. It is well settled that registration does not confer title but merely confirms one already existing (See *Torela v. Torela*, supra.). It may be that the properties under dispute were acquired by *Emilio Jocson* when he was still a bachelor but were registered only after his marriage to *Alejandra Poblete*, which explains why he was described in the certificates of title as married to the latter.

"Contrary to petitioner's position, the certificates of title show, on their face, that the properties were exclusively *Emilio Jocson's*, the registered owner. This is so because the words 'married to' preceding 'Alejandra Poblete' are merely descriptive of the civil status of *Emilio Jocson* (*Litam v. Rivera*, 100 Phil. 354; *Stuart v. Yatco*, No. L-16467, April 27, 1962, 4 SCRA 1143; *Magallon v. Montejo*, G.R. No. 73733, December 16, 1986, 146 SCRA 282). In other words, the import from the certificates of title is that *Emilio Jocson* is the owner of the properties, the same having been registered in his name alone, and that he is married to *Alejandra Poblete*.

"We are not unmindful that in numerous cases We consistently held that registration of the property in the name of only one spouse does not negate the possibility of it being conjugal (See *Bucoy v. Paulino*, No. L-25775, April 26, 1968, 23 SCRA 248). But this ruling is not inconsistent with the above pronouncement for in those cases there was proof that the properties, though registered in the name of only one spouse, were indeed conjugal properties, or that they have been acquired during the marriage of the spouses, and therefore, presumed conjugal, without the adverse party having presented proof to rebut the presumption (See *Mendoza v. Reyes*, No. L-31618, August 17, 1983, 124 SCRA 154)."

As stated earlier, the private respondent should have presented proof that the property was conjugal or at least should be presumed to be so.

Lastly, at the time of the filing of the action below by the respondent, the title of the property was already transferred to a third person, petitioner *Guerrero*, who relied solely on the clean title of the Bank, and thus, may be said to be an innocent purchaser for value even assuming that there was a defect in the title of the property he acquired. The private respondent, therefore, is not only barred by prescription but also by the acquisition of such third party as the latter had every right to rely merely on the correctness of the title. In the case of *Bonifacio Lopez, et al. v. Hon. Court of Appeals, et al.*, (G.R. No. L-49739, January 30, 1989), we said:

"Under the established principles of land registration law, the presumption is that the transferee of registered land is not aware of any defect in the title of the property he purchased. (See *Tajonera v. Court of Appeals*, 103 SCRA 467 [1981]). Moreover, the person dealing with registered land may safely rely on the correctness of its certificate of title and the law will in no way oblige him to go behind the certificate to determine the condition of the property. (*Director of Lands v. Abache, et al.*, 73 Phil. 606, 1942).

X X X X X X X X

"If we are to accept the respondents' contentions, a buyer of registered land would have to look beyond the title for any unregistered co-owner, any earlier buyer who failed to register his purchase, all possible actual owners who used the registered buyer as a dummy, and so many other defects or vices of the title, ad infinitum. The ruling of the respondent court is contrary to the reasons behind the indefeasibility of a Torrens Title."

We, therefore, hold that the respondent Court of Appeals erred in sustaining the trial court's denial of the motion to dismiss by herein petitioners for the reasons already stated above.

WHEREFORE, the petition is hereby GRANTED and the decision and resolution of the Court of Appeals dated July 23, 1970 and January 27, 1971, respectively, are ANNULLED and SET ASIDE. A new one is entered ordering the DISMISSAL of Civil Case No. Q-12160 before the then Court of First Instance of Rizal, Quezon City Branch.

SO ORDERED.

Feliciano, Bidin, and Cortes, JJ., concur.

Fernan, C.J., (Chairman), no part.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.