

ERNESTO BALBIN, JOSE ORIÑA, MAURICIO NARAG, ROSA STA. MA. SYTAMCO, BASILIO SYTAMCO, LEOCADIO SYTAMCO, AMADO V. REYES, LYDIA V. REYES AND APOLINARIO REYES, PETITIONERS, VS. PEDRO...

G.R. No. L-46410. October 30, 1981

Ponente: DE CASTRO, J.

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DE CASTRO, J.:

Petition for certiorari for the review of the decision of the Court of First Instance of Occidental Mindoro, Branch I, the dispositive portion of which reads:

"WHEREFORE, judgment is hereby rendered as follows:

"1. that the lands in controversy be, as they are hereby declared as the private properties of the plaintiffs with the right of immediate possession;

"2. that the Free Patents Nos. HV-85975, RV-86191, HV-85977, HV-85976, HV-85978, HV-85974, EV-58432, EV-94632 and EV-58631, and the corresponding Original Certification of Titles Nos. P-3088, P-3089, P-3087, P-4010, P-4011, P-3084, P-919, P-4060 and P-920 be, as they are hereby declared null and void and therefor should be cancelled;

"3. that defendants, ERNESTO BALBIN, the HRS. of MAURICIO NARAG and JOSE ORIÑA, shall pay the plaintiffs as damages, the sum of TWO HUNDRED (P200.00) PESOS per hectare possessed and cultivated by them from the year 1963 until the possession of the property in question has been duly surrendered to the plaintiffs, with interest at the rate of 6% per annum, from the date of this decision, and because said defendants must have paid the corresponding land taxes due them from the said date (1963), whatever amounts paid by them from said date to the present should correspondingly be deducted from the total amount of damages herein awarded to plaintiffs; however, defendants, ROSA STA. MA. SYTAMCO, BASILIO SYTAMCO, LEOCADIO SYTAMCO, AMADO V. REYES, LYDIA REYES and APOLINARIO REYES, shall not pay any amount to plaintiffs as damages as they are not in actual possession and cultivation of the area respectively claimed by them; and

"4. that the defendants shall further pay the amount of P2,000.00 as attorney's fees and cost of the suit."

The following facts, quoting from private respondents' brief, are not disputed:

"Private respondents on June 19, 1962, purchased from the heirs of Juan Ladao, a large parcel of agricultural land situated at Sitios of Bacong, Tambunakan and Ibutan, Barrio Balansay, Mamburao, Occidental Mindoro. Said respondents on June 14, 1963, filed an application for registration of title of the said parcel of land. They utilized as evidence of ownership, the Deed of Sale executed in their favor by the heirs of the late Juan Ladao (Exhibit "F" thereof) the Informacion Posesoria issued in the name of Juan Ladao (Exhibit "H" in the LRC Case) together with the tax declaration and tax receipts for said land covering the period from May 26, 1904, to January 27, 1962 (Exhibits I to I-28 of said LRC Case) the private respondents, after the sale, declared it for

taxation purposes (Exhibits G and G-1 of said LRC Case), and have continuously been paying the corresponding taxes up to the present; the application for registration of title aforesaid was opposed by petitioners on the ground that they were previously issued Original Certificates of title thru either Homestead or Free Patent grants. Petitioner Rosa Sta. Maria Sytamco was issued Original Certificate of Title No. P-3088 (Exhibit "1" on June 26, 1963, under Homestead Patent No. HV-85975; Basilio Sytamco was issued Original Certificate of Title No. P-3089 (Exhibit "2" on June 26, 1963, under Home-stead Patent No. HV-86191; Leocadio Sytamco was issued Original Certificate of Title No. P-3087 (Exhibit "3" on June 26, 1963, under Homestead Patent No. HV-85977; Lydia Reyes was issued Original Certificate of Title No. P-4010 (Exhibit "4" on September 30, 1963), under Homestead Patent No. HV-85978; Amado Reyes was issued Original Certificate of Title No. P-4011 (Exhibit "5" on September 30, 1963), under Homestead Patent No. V-85976; Apolinario Reyes was issued Original Certificate of Title No. P-3084 (Exhibit "6") on June 18, 1963, under Homestead Patent No. V-85974; Ernesto Balbin was issued Original Certificate of Title No. P-919 (Exhibit "7"), under Free Patent No. V-58633; Mauricio Narag was issued Original Certificate of Title No. P-4060 (Exhibit "8") on October 14, 1959, under Free Patent No. V-94632; Jose Oriña was issued Original Certificate of Title No. P-920 (Exhibit "9") on April 3, 1957 under Free Patent No. V-58631."[1]

It appears that before the filing of the present action for reconveyance and annulment of titles on August 30, 1973, land registration proceedings had been instituted by private respondents covering the same lands involved in the aforesaid action. Petitioners herein filed opposition to the application, but because of the reservation of private respondents to file a separate action for the cancellation of the original certificates of title issued to petitioners herein, the land registration court abstained from ruling on the petitioners' opposition.

In the pre-trial of the ordinary action from which the present petition stemmed, the following stipulation of facts[2] was entered into:

"1. That the parcels of land subject matter of the instant case are identified as Lot Nos. 979, 980, 981, 982, 983, 984, 1013, 1016 and 1006, as shown in plans Ap-10864 and Ap-10866; that these lots enumerated are embraced in Pls-21, Mamburao Public Subdivision;

"2. That the herein petitioners were among the oppositors in Land Registration Case No. N-44, filed before the court (CFI Occidental Mindoro, Branch I, Mamburao, Occidental Mindoro) on June 14, 1963 by spouses Pedro C. Medalla and Josefina O. Medalla;

"3. That the opposition of petitioners is based on the ground that the aforesaid lots respectively titled in their names are included in the land subject matter of the Land Registration Case No. N-44;

"4. That in the Decision rendered by the court in Land Registration Case No. N-44 dated May 7, 1969 giving due course to the applicants' petition for registration of title, the opposition of the petitioners were not resolved in view of the reservation made by the applicants to file appropriate actions for the cancellation of petitioners' homestead or patent titles;

"5. That the land subject matter of the instant case are titled in the name of petitioners and included in plans Ap-10864 and Ap-10866, which plans were submitted as evidence in the said Land Registration Case No. N-44, and that the basis of herein respondents' claim in the instant case is the possessory information title of Juan Ladao, registered on May 25, 1895 before the Register of Deeds of the Province of Occidental Mindoro."

Petitioners made the following assignment of errors:[3]

"I. That the respondent judge of the court a quo erred in holding the validity of the possessory information title of Juan Ladao, consequently, erroneously holding that the parcels of land covered by certificate of titles of petitioners are private properties of private respondents.

"II. That respondent judge of the court a quo erred in holding that private respondents' cause of action has not

prescribed.

"III. The respondent judge of the court a quo erred in holding that private respondents have personality and capacity to institute the action, considering that the land in controversy were public lands at the time of issuance of respective patents and titles of petitioners.

"IV. The respondent judge of the court a quo erred in holding that the lower court has jurisdiction over the nature and cause of action of private respondents."

The first question to be resolved relates to the validity of the possessory information title of Juan Ladao as raised in the first assignment of error because petitioners' title to the land based on their respective homestead or free patents is valid or not, depending on whether the land so disposed of under the Public Land Act has not yet been segregated from the public domain and passed into private ownership at the time of the issuance of the patents.[4]

As found uncontroverted by the lower court, there exists an Informacion Posesoria in the name of Juan Ladao from whom private respondents Medalla bought the land. It is also an admitted fact, at least impliedly, same being not denied in petitioners' answer to the complaint, that the Informacion Posesoria was registered on May 25, 1895. What petitioners assail is the validity of the registration which they claim to have been done beyond the period of one year from April 17, 1894 to April 17, 1895, as allegedly required by the Royal Decree of February 13, 1894 otherwise known as the Maura Law. The provision invoked by petitioners is Article 21 of the aforementioned decree which reads:

"Art. 21. A term of one year, without grace, is granted in order to perfect the information referred to in Articles 19 and 20.

"After the expiration of this period, the right of the cultivators and possessors to obtain a gratuitous title shall be extinguished; the full ownership of the land shall be restored to the State, or in a proper case to the community of neighbors, and the said possessors and cultivators or their predecessors in interest by a universal title shall only be entitled to the right of redemption, if the land had been sold within the five years subsequent to the lapse of the period.

"The possessors not included within the provisions of this Chapter shall only acquire for some time the ownership of the alienable lands of the royal patrimony, in accordance with the common law."

It is the petitioners' contention that pursuant to the aforecited provision, all grants of Spanish titles to lands including possessory information titles must be registered within a period of one (1) year to be counted from April 17, 1894 until April 17, 1895, in accordance with Article 80 of the rules and regulations implementing said Royal Decree of February 13, 1894; that this requirement of the law finds support in the cases of Baltazar vs. Insular Government, 40 Phil. 267 and Romero vs. Director of Lands, 39 Phil. 814 from which petitioners quoted the following:

"All such titles covered by possessory information title during the Spanish Regime and not registered within the non-extendible period of one year as provided for in the Maura Law or the Royal Decree of February 13, 1894, it reverts to the State or in a proper case to the public domain." (Underscoring Supplied).

Petitioners further contend that inasmuch as the possessory information title of respondents, in the name of the late Juan Ladao, was registered only on May 25, 1895 or 38 days from the last day of the one-year period as provided in the Maura Law, the same was patently null and void, and the land covered by said possessory information title reverted to the State or to the public domain of the government.

Petitioners' contention is without merit. Examining closely the two cases invoked by petitioners, nowhere in said cases can be found the aforecited passages quoted by the petitioners. These cases did not even speak of

registration as a requisite for the validity of possessory information title obtained for purposes of Royal Decree of February 13, 1894 or the Maura Law. What was actually stated in the two aforementioned cases are the following:

"A possessory information proceeding instituted in accordance with the provisions of the Mortgage Law in force on July 14, 1893 neither constitutes nor is clothed with the character of a gratuitous title to property, referred to in Section 19 of the Royal Decree of February 13, 1894, which provides that in order that an information may be valid for the purpose of the said Royal Decree and produce the effects of a title of ownership, it is indispensable that it be instituted within the unextended period of one year fixed in sections 19 and 20 of the said Royal Decree (*Aguinaldo de Romero vs. Director of Lands*, 39 Phil. 814).

"The time within which advantage could be taken of the Maura Law expired on April 17, 1895. Almeida obtained dominion over 526 hectares of land on June 9, 1895. The possessory information for 815 hectares was issued to Almeida on December 14, 1896. Almeida was thus not in possession until after the expiration of the period specified by the Maura Law for the issuance of possessory titles and his possessory information was of even a later date and made to cover a large excess of land. Under these conditions, the possessory information could not even furnish, as in other cases, *prima facie* evidence of the fact that at the time of the execution the claimant was in possession, which it would be possible to convert into ownership by uninterrupted possession for the statutory period. (*Baltazar vs. Insular Government*, 40 Phil. 267)."

From the foregoing, it is made clear that what was required is merely the institution of a possessory information proceeding within the one-year period as provided in the Royal Decree of February 13, 1894 or the Maura Law. This fact is bolstered by the commentaries of Prof. Francisco Ventura in his book *Land Titles and Deeds*, a book widely used by law practitioners and in the law schools.[5] Thus -

"A distinction should be made between the *informacion posesoria* issued in accordance with Articles 390, 391, and 392 of the Spanish Mortgage Law in connection with Articles 19, 20 and 21 of the Royal Decree of February 13, 1894 and the *informacion posesoria* issued in accordance with Articles 390, 391 and 392 of said law without regard to the aforementioned decree. The former was the basis of a gratuitous title of ownership which was issued upon application of the grantee and the possessory title provided he complied with the requisites prescribed by Articles 19 and 21 of the aforesaid decree and Articles 81 and 82 of the Chapter IV of the Regulations for the execution of the same decree. The requisites to be fulfilled and steps to be taken are as follows:

"1. The holder of the land must prove possession or cultivation of the land under the conditions presented by Article 19 of the said decree.

"2. The holder of the land had to institute the possessory information proceeding within one year from the date (April 17, 1894) of the publication of the Royal Decree of February 13, 1894 (Article 21, Royal Decree of February 13, 1894) (Underscoring supplied).

"3. After obtaining the *informacion posesoria*, the holder of the land had to file a petition with the General Director of Civil Administration, attaching thereto a certified copy of the *informacion posesoria* asking for the issuance in his name of a gratuitous title of ownership. If the said office was satisfied that the applicant fulfilled the conditions prescribed by the law, a gratuitous title of ownership was issued to him. Such title oftentimes called *composicion gratuita* was to be registered in the Registry of Property of the province where the land was located. x x x" (pp. 30-31)."

Even Section 21 of the Maura Law invoked by petitioners themselves does not speak of registration, but merely perfection of information title, which, as already discussed, may be done by instituting possessory information proceedings within the said one-year period fixed by the aforementioned Royal Decree of February 13, 1894, possibly ending in the registration of the title, depending on the evidence presented.

In the case at bar, it is admitted and uncontroverted that there exists an *informacion posesoria* registered on May 25, 1895 in the name of Juan Ladao. This registration of the *informacion posesoria* must have followed as the result or outcome of a possessory information proceeding instituted by the late Juan Ladao in accordance with Section 19 of the said Royal Decree of February 13, 1894, and commenced within the one-year period, pursuant to Section 21 of the same decree. Otherwise, if this were not so, no registration of the said *informacion posesoria* might have been effected in the Registry of Deeds of the Province of Occidental Mindoro, for if the registration thereof on May 25, 1895 was violative of the decree, for being beyond the one-year period from April 17, 1894 to April 17, 1895, the Register of Deeds would certainly not have performed an illegal act.

Moreover, registration of title usually follows a specified proceeding. The registration is the act of a government official and may not be controlled by the private party applying for registration of his title. What is under his control is the commencement or the institution of the prescribed proceeding for the perfection of his title for which he may be penalized for tardiness of compliance. The institution of the proper proceeding is clearly what is required to be done within the one-year period by the party seeking to perfect his title, not the registration thereof, if found legally warranted. By its nature, therefore, registration may not necessarily be within the same one-year period. If the required proceedings are instituted, as they have to be before the corresponding title may be issued and registered, the registration may be possible of accomplishment only after the one-year period, considering the number of proceedings that might have been instituted within the non-extendible period of one year. This is what apparently happened in the instant case with the proceeding to perfect the title commenced within the one-year period, but the registration of the possessory information title done thereafter, or on May 25, 1895, after the prescribed proceeding which is naturally featured with the requisite notice and hearing.[6]

The next question relates to the issue of prescription as raised in the second assignment of error.

It is the contention of petitioners that the present action for reconveyance has already prescribed. They developed this theory in their Reply to Rejoinder[7] to Motion to Dismiss, as follows:

"Even granting for the sake of argument that plaintiffs' possessory information title is valid and effective, the cause of action for reconveyance had already prescribed because such action can only be instituted within four (4) years after discovery of the alleged fraud. (Sec. 55, Act 496; *Vera vs. Vera*, 47 O.G. 5060; *Tayao vs. Robles*, 74 Phil. 114) It will be noted from plaintiffs' complaint that the patent of Ernesto Balbin and Jose Oriña were issued on December 6, 1956 so that if any action for reconveyance at all could be instituted against the two defendants, the same should be instituted before or during the period of four years or up to 6 December, 1960. According to the complaint, the patents of Rosa Sta. Ma. Sytamco, Basilio Sytamco and Leocadio Sytamco were issued on 17 April, 1959, so that if any action for reconveyance can lie against them, the same should be instituted within four years or up to 17 April, 1963. In so far as the free patent of Amado V. Reyes, Lydia Reyes and Apolinario Reyes, it appears that said patents were issued on 3 March, 1959, so that if any action for reconveyance should be filed, it should be on or before March 3, 1963. And lastly, the patent of Mauricio Narag was issued on 14 October, 1959, so that if any action for reconveyance should be instituted, the same should be filed on or before October 14, 1963.

"Plaintiffs' complaint was filed only on August 30, 1973, or more than 14 years had already elapsed from the date of the issuance of the respective titles of the defendants. Consequently, the action for reconveyance of land titled in the names of defendants had already prescribed."

An action for reconveyance of real property resulting from fraud may be barred by the statute of limitations, which requires that the action shall be filed within four (4) years from the discovery of the fraud. Such discovery is deemed to have taken place when the petitioners herein were issued original certificate of title through either homestead or free patent grants, for the registration of said patents constitute constructive notice to the whole world.[8]

In the case at bar, the latest patent was issued on October 14, 1959. There is, therefore, merit in petitioner's contention that "if any action for reconveyance should be commenced, the same should be filed on or before October 14, 1963. But private respondents' complaint for reconveyance and annulment of titles with damages was filed only on August 30, 1973, or more than 14 years had already elapsed from the date of the issuance of the respective titles of the defendants. Consequently, the action for reconveyance of land titled in the names of defendants (petitioners herein) had already prescribed."

Even from the viewpoint of acquisitive prescription, petitioners have acquired title to the nine lots in question by virtue of possession in concept of an owner. Petitioners herein were given either free patent or homestead patent, and original certificates of title in their names issued to them, the latest on October 14, 1959. Said public land patents must have been issued after the land authorities had found out, after proper investigation, that petitioners were in actual possession of the nine lots in question, particularly in the case of the free patents. If petitioners were in actual possession of the nine lots, then the heirs of Ladao and the Medalla spouses were never in actual possession of the said lots. If the Medalla spouses were not in actual possession of the nine lots, the alleged possessory information would not justify the registration of the said nine lots in the names of the Medallas.

A possessory information has to be confirmed in a land registration proceeding, as required in Section 19 of Act No. 496. "A possessory information alone, without a showing of actual, public and adverse possession of the land under claim of ownership, for a sufficient period of time, in accordance with the law, is ineffective as a mode of acquiring title under Act No. 496." [9] Although converted into a title of absolute ownership, an informacion posesoria may still be lost by prescription. [10]

On the other hand, the Torrens Titles issued to the petitioners on the basis of the homestead patents and free patents obtained by them had become indefeasible. [11]

It would result from what has been said on the two main assignments of errors that petitioners herein have a better right to the land in question than the Medalla spouses.

WHEREFORE, the judgment appealed from should be reversed and the complaint of the Medallas should be, as it is hereby dismissed with costs against appellees.

SO ORDERED.

Barredo, (Chairman), Concepcion, Jr., and Abad Santos, JJ., concur.
Aquino, J., in the result.

[1] Respondents' Brief, pp. 2-4; Rollo, p. 191.

[2] Respondents' Brief, pp. 5-6; Rollo, p. 191.

[3] Respondents' Brief, pp. 6-7; Rollo, p. 191

[4] Panimdim vs. Director of Lands, L-19731, July 31, 1964, 11 SCRA 628; Duran vs. Olivia, et al., L-16589, September 29, 1961; Republic vs. Heirs of Ciriaco Carle, et al., L-12485, July 31, 1959; El Hogar Filipino vs. Olviga, 60 Phil. 17; Manalo vs. Lukban, et al., 48 Phil. 973.

[5] Same observations were made by Prof. Anatolio C. Mañalac in his book entitled "Development of Land Laws and Registration in the Philippines," 1961 ed., pp. 47-48.

[6] In Bishop of Nueva Segovia vs. Municipality of Bantay, 28 Phil. 347, the procedure as to notice and hearing of the possessory information proceeding is outlined which is commenced with the filing of the proper application

either in the Court of First Instance or in the Municipal Court.

[7] p. 12, Petition; p. 38, Rollo.

[8] Gerona vs. de Guzman, 11 SCRA 153 and cases cited therein.

[9] Heirs of Luno vs. Marquez, 48 Phil. 855, See Government of the P.I. vs. Heirs of Abella, 49 Phil. 374, 379; Fernandez Hermanos vs. Director of Lands, 57 Phil. 929; Roman Catholic Bishop of Nueva Segovia vs. Municipality of Bantay, 28 Phil. 347).

[10] Noblejas, Land Titles and Deeds 1965 Ed., p. 7.

[11] Pajomayo vs. Manipon, L-33676, June 30, 1971, 39 SCRA 676.

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