

MARCOS ESTANISLAO (DECEASED), SUBSTITUTED BY HIS LEGAL REPRESENTATIVES, CASIMIRO ESTANISLAO, MARIANO ESTANISLAO AND PIO ESTANISLAO, PLAINTIFFS AND APPELLANTS, VS. THE GOVERNMENT...*G.R. No. L-18717. September 30, 1974*

Ponente: FERNANDO, J.

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In these two appeals from two orders of dismissal of the Court of First Instance, the first[1] sustaining a motion to that effect filed by defendants Government Service Insurance System and the People's Homesite and Housing Corporation, and the second,[2] by defendant Director of Lands in an identical case filed with the Quezon City Court of First Instance then presided by the then Judge, later Justice, Nicasio Yatco, the sole issue is the validity of the original Certificate of Title No. 735 in favor of the Tuasons. To state the question is to answer it. It suffices to refer to the exhaustive decision of Justice Zaldivar in Benin vs. Tuason[3] which disposed of the matter in a quite conclusive manner against the pretension of the plaintiffs in this case. Even without the aforesaid decision the order of dismissal of respondent Judge cannot be faulted. For to assail the right of the defendants involved is to ignore what is reiterated time and time again in decisions of this Court as to the respect to be accorded the rights of an innocent purchaser for value. The appeals are devoid of merit.

Insofar as the defendants Government Service Insurance System and the People's Homesite and Housing Corporation are concerned,[4] the order of dismissal states why it had to be sustained. Thus: "From the reading of the complaint it appears that plaintiffs seek the cancellation of PHHC and the GSIS mortgages, and the correction of the technical descriptions in the several titles mentioned in the complaint as well as to declare said titles null and void. Anent that point and the first ground of the motion to dismiss admittedly plaintiffs are not parties to the deed of mortgage they seek to be declared null and void. It is fundamental in this jurisdiction that the defenses of illegality of contracts is not available to third persons whose interests are not directly affected. (Art. 1421, Civil Code) From a reading of the complaint of the plaintiffs, it is clear that they are not affected by said mortgage although they have alleged that they are the owners of the land. This is so because it is not alleged in the complaint that there has been fraud attending the execution of the deed of mortgage and that the plaintiffs have been affected by such fraud. Furthermore, the action for the annulment of contracts may be instituted by all who are thereby obliged principally or subsidiarily. * * * (Art. 1397 Civil Code) The plaintiffs in this case are not obliged principally or subsidiarily in the contract. Regarding the prayer for correction of the technical descriptions and the nullity of the titles involved, such relief is tantamount to a reopening of the decree." [5] Further: "Admittedly, the PHHC is an innocent purchaser for value for all intents and purposes. In fact, the complaint of the plaintiffs does not make any mention that the PHHC is not a purchaser for value. For that reason, the complaint of the plaintiff should fail, especially if we take into account that the predecessor in interest of the PHHC acquired its title and decree in 1914. It might be said with a degree of certainty that after a base of 36 years, courts are powerless to open a decree. It could also be said that the Supreme Court has already held in the

case of Tiburcio et al., vs. PHHC, G.R.L.D. 13479, Prom, October 31, 1959, that – ... land in question has been registered in the name of defendants predecessor-in-interest since 1914 under the Torrens System and that notwithstanding that they now claim that the original title lacked the essential validity, * * * they [have] never taken any step to nullify said title until 1957 when they instituted the present action. In other words they allowed a period of 43 years before they woke up to invoke what they now claim to be erroneous when the court decreed in 1914 the registration of the land in the name of defendants' predecessor-in-interest. Evidently, this cannot be done for under our law and jurisprudence, a decree of registration can only be set aside within one year after entry on the ground of fraud provided ... no innocent purchaser for value has acquired the property. Sec. 38, Act No. 496; Apurado vs. Apurado, 26 Phil. 581; Salmon vs. Bancando, 40 O.G. 13 Supp. 1607; Rivera vs. Moran, 48 Phil. 836).***"[6] As far as defendant Director of Lands is concerned, this is what is stated in the order of dismissal: "In the records of this case, the Court in its order of August 31, 1960, dismissed the complaint of the plaintiffs as against the defendants GSIS and PHHC. A reading of the affirmative defense raised by the defendant Director of Lands would show that the same are, more or less, the same as the grounds raised in the motion to dismiss of the defendants GSIS and PHHC. Hence, for the same reasons as stated by the Court in the order of August 31, 1961, the complaint of the plaintiffs as against the defendant Director of Lands, should be ordered dismissed." [7]

The futility of the two appeals is thus apparent even without the Benin decision. In a recent case, Philippine Commercial and Industrial Bank vs. Villalva,[8] it was stressed: "There is a strong public interest in maintaining the integrity of a Torrens title. Its possessor is to receive the protection that is due under the law. The stability of property relations in land, which is its main objective, cannot be assured by anything less. So much is settled under our consistent course of decisions." [9] Even without the conclusive Benin decision, there would seem to be no need to demonstrate how deficient in legal foundation is the stand of the plaintiffs. Nonetheless, reference thereto is not inappropriate as it might persuade plaintiffs, whose rather profuse and prolix pleadings are hardly distinguished by precision and clarity, that they were from the beginning engaged in a hopeless quest.

WHEREFORE, the order of dismissal of August 31, 1960 in L-18717 and the order of dismissal dated June 9, 1961 in L-19379 are affirmed. No costs.

Makalintal, C.J., Antonio, Fernandez, and Aquino, JJ., concur.
Barredo, J., took no part.

[1] L-19379, Estanislao vs. Government Service Insurance System, et al.

[2] L-18717, Estanislao vs. Government Service Insurance System, et al.

[3] L-26127-26129, June 28, 1974, 57 SCRA 531.

[4] L-18717.

[5] Order of Dismissal, Record on Appeal, 64.

[6] Ibid, 65.

[7] L-19379, Order of Dismissal, Record on Appeal, 73-74.

[8] L-28194, November 24, 1972, 48 SCRA 31.

[9] Ibid, 38. The order cases cited follow: Medina vs. Imaz, 27 Phil. 314 (1914); Tuason vs. Raymundo, 28 Phil. 635 (1914); De Jesus vs. City of Manila, 29 Phil. 73 (1914); De Gomez vs. Jugo, 48 Phil. 118 (1925); Jurado vs. Flores, 79 Phil. 451 (1947); Levin vs. Bass, 91 Phil. 419 (1952); Mirasol vs. Gerochi, 93 Phil. 480 (1953);

Avecilla vs. Yatco, 103 Phil. 666 (1958); Aguilar vs. Caoagdan, 105 Phil. 661 (1959); Paraiso vs. Camon, 106 Phil. 187 (1959); Tiburcio vs. PHHC, 106 Phil. 477 (1959); Joaquin vs. Madrid, 106 Phil. 1060 (1960); Revilla vs. Galindez, 107 Phil. 480 (1960); Carreon vs. Agcaoili, L--11156, Feb. 23, 1961, 1 SCRA 521; Moldero vs. Yandoc, L-14321, Oct. 20, 1961, 3 SCRA 246; Fule vs. De Lagare, L-17951, Feb. 28, 1963, 7 SCRA 351;) J. M. Tuason & Co., Inc. vs. Vibat, L-18884, May 29, 1963, 8 SCRA 54; and Pichay vs. Celestino, L-18292-4, May 30, 1967, 20 SCRA 314.

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