

PABLO L. MIRANDO, MANUEL V. SERRANILLA, MAGDALEMO LEMOS, JESUS MILLA, IGNACIO ANGUE, JUAN BOLO, RUFINO FLORES, TEODORO CASTILLO, PETRA ALACAR, AURELIA LAVADIA, EUGENIO AMOR, RAY...

G.R. No. L-44062. February 16, 1978

Ponente: GUERRERO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/18d8a0abe8b8/>

GUERRERO, J.:

This is an appeal certified to this Court by the Court of Appeals[1] pursuant to Sec. 17, par. (4) of the Judiciary Act of 1948, as amended, as only questions of law were raised therein.

The findings of fact by the Court of Appeals are as follows:

"Shortly after the liberation of Manila from the Japanese Imperial Army, petitioners occupied and lived in the premises of Arellano University at Legarda St., Manila, from 1945 to 1950. To solve the problem posed by the squatters to public health and sanitation in general and to meet the needs of the University for its premises in particular, Mayor Manuel dela Fuente of Manila secured the approval of Mayor Ignacio Santos Diaz of Quezon City to relocate the squatters in Lots 1 and 2, Block No. 3 of Subdivision Plans Psd-3693 and Psd-4264, respectively, adjoining Broadway St., Q.C.

These lots were formerly owned by a Japanese named Arata Tuitsue. Because he was an enemy alien, the Phil. Alien Property Custodian and later its successor, the Phil. Board of Liquidators, took possession of these lots. During their occupancy of the lots in question, petitioners constructed their respective houses thereon and were charged nominal rentals by the respondent Phil. Board of Liquidators. They also filed their respective applications with the Board through the Office of the President for the sale of the lots to them.

Sometime in 1953 the Phil. Board of Liquidators with the approval of the President of the Philippines, bartered the two parcels of land in dispute with another piece of land owned by the late Carmen Planas. On Dec. 8, 1964, the administrator of the estate of the late Carmen Planas sold the lots in question to private respondents, Wellington Ty & Bros., Inc. The sale was registered and Transfer Certificate of Title No. 87901 was issued by the Register of Deeds of Q.C. in the name of private respondents. Soon thereafter, the private respondents made demands upon the petitioners to vacate and surrender the possession of the premises. Petitioners refused, claiming that they had preferential rights to the property. Private respondents reacted by filing an ejectment proceeding in the City Court of Q.C. docketed as Civil Case No. 11-14765."

Hence, on September 4, 1968, petitioners-appellants filed a petition entitled Declaratory Relief for Cancellation of Title and/or Reconveyance with Preliminary Injunction before the Court of First Instance of Rizal, Branch XVII,

claiming inter alia, (a) that they are the bona fide occupants of the lots in question, having constructed thereon their respective residential houses with assessed values as follows:

Pablo L. Mirando P6,000.00

Manuel V. Serranilla 8,000.00

Magdalemo Lemos 3,000.00

Jesus Milla 6,000.00

Ignacio Angue 6,000.00

Juan Bolo 2,500.00

Rufino Flores 6,000.00

Teodoro Castillo 3,500.00

Petra Alacar 4,500.00

Aurelia Lavadia 4,000.00

Eugenio Amor 4,000.00

Raymundo Abella 2,000.00

Dodie Constantino 2,500.00

Antonio V. Serranilla 3,500.00

David Impang 6,500.00

Aruto Impang 5,000.00

Celestino Lacerna 3,500.00,

and (b) that through the fraud and misrepresentation of the respondent-appellee Wellington Ty & Bros, Inc., in collusion with the Phil. Board of Liquidators, they were deprived of their preferential right to purchase said lots from the latter. The petition below sought the cancellation of the title of Wellington Ty & Bros., Inc., the reconveyance of the disputed lots in their favor and the issuance of a writ of preliminary injunction against further proceedings in the ejectment case filed by respondent-appellee Wellington Ty & Bros., Inc. against the petitioners-appellants.

After their motion to dismiss was denied, respondent-appellee Wellington Ty & Bros., Inc. filed its Answer to the petition, claiming as a special and affirmative defense the indefeasibility of their title under the Land Registration Act, being purchasers for value and in good faith. Further, they reiterated the grounds of their motion to dismiss:

(a) That the present action is not the proper remedy;

(b) That the petition does not state a sufficient justifiable cause of action as required by law;

(c) That there is a pending action in Court between the same parties wherein the issue raised herein is involved.

Likewise, respondent Phil. Board of Liquidators thru the Solicitor General filed its Answer to the petition, and alleged as affirmative defenses:

(a) That the Court has no jurisdiction over the respondent Board of Liquidators;

(b) That petitioners have no cause of action against respondent Board of Liquidators;

(c) That the respondent Board of Liquidators is not the real party in interest in this case;

(d) That the cause of action, if any, has already prescribed.

Without going to trial, the case was submitted for decision, the pertinent portion of which reads:

"The petitioners do not cite the provision of the law that prohibits the Alien Property Custodian from entering into a barter agreement with Carmen Planas. On the contrary the Alien Property Custodian as the administrator of the alien property in question, with the consent of the Office of the President as in the instant case, has the full authority to enter into such a barter agreement with Carmen Planas. The fact that the present petitioners were relocated by the then City Mayor of Manila, Mayor Manuel dela Fuente with the consent of the City Mayor of Q.C., to the land in question, which was never owned by either City, did not confer on the petitioners any right over it."[2]

Motion for reconsideration having been denied, petitioners-appellants appealed to the Court of Appeals, claiming that the decision was contrary to law, jurisprudence, and the government policy of land for the landless.

In a Resolution promulgated October 7, 1974, the appellate court dismissed the appeal for failure of the record on appeal to state the filing of an appeal bond, as provided in Sec. 1, Rule 50 of the Revised Rules of Court.

However, on an explanation contained in a Motion to Set Aside Resolution, that a cash appeal bond has in fact been paid, the appellate court reinstated the appeal in another Resolution.

Acting on the merits of the appeal, the appellate court found that:

"A perusal of the errors assigned by petitioners-appellants show that the controversy really hinges on the question of whether or not respondent Phil. Board of Liquidators had a right to dispose alien-owned property under its administration and control by sale, barter or otherwise, and whether or not petitioners-appellants' occupancy of the lots in question prior to their sale to private respondent conferred upon them a preferential right to purchase the same, and to that end whether or not they are entitled to the declaratory relief prayed for.

This Court feels that the issues raised involve purely questions of law, the review of which is vested within the exclusive jurisdiction of the Supreme Court."

Hence, the case was certified to Us for final determination.

Petitioners-appellants contend that their alleged preferential right to buy the land is by authority of R.A. 3348 which provides:

"Section 1. Section one of Republic Act Numbered Four hundred seventy-seven, as amended by Republic Act Numbered Nineteen hundred seventy, is further amended to read as follows:

Section 1. All lands which have been or may hereafter be transferred to the Republic of the Philippines in accordance with the Philippine Property Act of Nineteen Hundred and forty six (Act of Congress of the United States of July three nineteen hundred and forty six) and Republic Act Number Eight and all the public lands and improvements thereon transferred from the Bureau of Lands to the National Abaca and Other Fibers Corporation under the provisions of Executive Order Numbered Twenty-nine dated October twenty-five, nineteen hundred and forty six, and of Executive Order Numbered ninety-nine, dated October twenty two, nineteen hundred and forty-seven, shall be subdivided by the National Abaca and other Fibers Corporation into convenient-sized lots, except such portion thereof as the President of the Philippines may reserve or transfer title thereto for the use of the National or local governments, or for the use of the corporations or entities owned or controlled by the Government. Subdivision lots primarily intended for, or devoted to, agricultural purposes shall not exceed an area of five hectares for coconut lands, ten hectares for improved abaca lands, and twelve hectares for unimproved lands; urban homesite or residential lots shall not exceed an area of One Thousand square meters; Provided, that any provision of law to the contrary notwithstanding, the Department of General Services shall determine the minimum size of said urban homesite or residential lots and shall allot to the actual occupants thereof at the time of the approval of this Act." (underscoring supplied for emphasis).

Petitioners-appellants' contention is without merit, the said law having come into effect only on August 8, 1963, or almost 10 years after the lots in question passed into the private estate of the late Carmen Planas who acquired the same from the national government in 1953.

We do not see any irregularity in the acquisition by Carmen Planas of the said parcels of land. The exchange of properties between the national government and the late Carmen Planas was validly effected in accordance with the provisions of the then existing laws. Thus, under sections 3 and 4 of Executive Order No. 372, dated November 24, 1950, the Philippine Board of Liquidators, with the approval of the President of the Philippines, was empowered to sell, lease, transfer, assign, or otherwise dispose of, the properties transferred to the Republic of the Philippines under the Philippine Property Act of 1946 [Act of Congress of the United States of July 3, 1946] and R.A. 8; and, under section 1 of R.A. 926, effective June 20, 1953, the "President of the Philippines, in payment of compensation for landed estates acquired by the Government, whether thru voluntary agreement or expropriation proceedings, may convey in behalf of the Republic, with the written consent of the owner of the land, in total or partial payment of such compensation, such public land as is disposable by sale or lease to private individuals in accordance with law, and such other similarly disposable property pertaining to the Republic of the Philippines."

In the absence of proof of defect in the acquisition by Carmen Planas of, or proof of infirmity in her title to, the lots occupied by petitioners-appellants, We cannot question the validity of the contract of sale executed between the administrator of her estate and the respondent-appellee Wellington Ty & Bros., Inc.

If We pursue further the contention of the petitioners-appellants that they had the preferential right to buy the lots they occupied, We must look into the provisions of the law then in effect, R.A. 477, sec. 1, effective June 9, 1950,

and not R.A. 3348. Thus,

"Sec. 1. All lands which have been or may hereafter be transferred to the Republic of the Philippines in accordance with the Philippine Property Act of 1946 (Act of Congress of the United States of July 3, 1946) and Republic Act Numbered Eight and all the public lands and improvements thereon transferred from the Bureau of Lands to the National Abaca and Other Fibers Corporation under the provisions of Executive Order No. 29, dated October 25, 1946 and of Executive Order No. 99, dated October 22, 1947 shall be subdivided by the National Abaca and Other Fibers Corporation into convenient-sized lots, except such portions thereof as the President of the Philippines may reserve for the use of the National or local governments, or for the use of corporation or entities owned or controlled by the Government. Subdivision lots primarily intended for, or devoted to, agricultural purposes shall not exceed an area of five hectares for coconut lands, ten hectares for improved abaca lands, and twelve hectares for unimproved lands, urban homesite or residential lots shall not exceed an area of one thousand square meters nor less than one hundred fifty square meters." (underscoring supplied for emphasis).

The fact that the applications of the petitioners-appellants to buy these parcels of land from the national government, thru the Board of Liquidators, had not been given due course by the latter no doubt shows that, as authorized under the above provision of law, the national government reserved these lots for its own use with no intention to subdivide them into convenient-sized lots to be awarded to bona fide occupants. That petitioners-appellants paid nominal fees for the use of the lots is of little consequence, in the absence of positive proof that the fees were in consideration of any claim of priority rights. In fact, un rebutted testimony was presented by the Board of Liquidators to the effect that petitioners-appellants were considered squatters,[3] not as bona fide occupants thereon. Their use and occupation of the land was merely tolerated by the national government, and could not have vested in them any claim, right, or adverse interest in such government property.

Under the Rules of Court, declaratory relief is an action which any person interested under a deed, will, contract, or other written instrument, or whose rights are affected by a statute executive order or regulation, or ordinance, may, before breach or violation thereof, bring to determine any question of construction or validity arising under the instrument or statute and for a declaration of his rights or duties hereunder.[4]

Petitioners-appellants brought this action with a claim that they were deprived of their preferential right to buy the disputed lots by virtue of a contract of sale involving said lots executed between the administrator of the estate of the late Carmen Planas and respondent Wellington Ty & Bros., Inc. But it is evident from the records that from the date of their relocation to the disputed lots in 1950 to the date of the filing of this petition for declaratory relief, at no time did the petitioners-appellants acquire any interest whatsoever in the parcels of land subject of the aforementioned contract of sale. They enjoyed no rights which were violated, or at the least, affected, by the exchange of properties between the national government and the late Carmen Planas, and eventually, by the above contract of sale between the administrator of the estate of Carmen Planas and the respondent-appellee Wellington Ty & Bros., Inc.

The authorities are unanimous that in order that an action for declaratory relief may be entertained, it must be predicated on the following requisite facts or conditions: (1) there must be a justifiable controversy; (2) the controversy must be between persons whose interests are adverse; (3) the party seeking declaratory relief must have a legal interest in the controversy; and (4) the issue involved must be ripe for judicial determination.[5] All these requisite facts are not present; the complaint must, therefore, fail for lack of sufficient cause of action.

WHEREFORE, the judgment of the lower court is affirmed, with costs against petitioners-appellants.

SO ORDERED.

Castro, C.J., Teehankee, Makasiar, and Fernandez, JJ., concur.

Muñoz Palma, J., no part.

[1] Special Ninth Division: Pascual, J., ponente; Bautista, J. and Santiago, J., concurring.

[2] Record on Appeal, pp. 42-43.

[3] Brief for respondent Wellington Ty & Bros., Inc. p. 11 (citing testimony of one Atty. Alcaraz, counsel for Board of Liquidators, during the pre-trial).

[4] Rule 64, sec. 1, par. 1.

[5] Tolentino vs. Board of Accountancy, et al., 90 Phil. 83.

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.