

CARIDAD ARGUELLES, PLAINTIFF-APPELLEE, VS. GUIL-LERMO TIMBANCAYA, DEFENDANT-APPELLANT.*G.R. No. L-29052. July 30, 1976*

Ponente: ANTONIO, J.

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Direct appeal to this Court, on questions of law, by defendant-appellant Guillermo Timbancaya, from the decision of the Court of First Instance of Palawan, in Civil Case No. 475, entitled “Caridad Arguelles vs. Guillermo Timbancaya”. In this action for reconveyance instituted by plaintiff-appellee Caridad Arguelles, the trial court found that the property covered by Transfer Certificate of Title No. 1053 of the Office of the Register of Deeds of Palawan was, by virtue of the Compromise Agreement and Judgment in Special Proceedings No. 211 of the Court of First Instance of Palawan, owned jointly — one-half (1/2) thereof by Caridad Arguelles and the other one-half (1/2) by Guillermo and Alberto Timbancaya — and consequently ordered the cancellation of the afore-mentioned transfer certificate of title in the exclusive name of Guillermo Timbancaya and Alberto Timbancaya, to pay appellee by way of attorney's fees the amount of P500.00 and the costs of the proceedings.

The relevant facts as found by the trial court in the afore-mentioned case are as follows:

“On July 6, 1950, the plaintiff herein filed before this Court Special Proceedings No. 211, for Intestate Estate of Jose Arguelles, under Section 4, Rule 74 of the Rules of Court, Exhibit ‘A’. After the issues have been joined, the parties to this said case filed an agreement with the court and prayed that judgment be rendered in accordance with the said agreement. Thereupon, the court in its decision dated September 11, 1950, rendered a decision in accordance with said agreement, the dispositive part of which is as follows: ‘WHEREFORE, this Court in conformity with the said agreement hereby renders decision declaring and adjudicating one half (1/2) of the land in question to Mrs. Caridad Arguelles, which one half (1/2) is the northern portion of the said land, and the other half to Messrs. Guillermo Timbancaya and Alberto Timbancaya, which is the southern portion of the said property. The common boundary to be a line of from east to west direction. The actual number of coconut trees planted by each on the portion assigned to the other shall be assessed at P2.00 per tree for those already bearing fruits and P0.50 for those non-bearing ones; and that actual set-off shall be made between the parties, the Petitioner and Respondents, with the payment of the balance to be made accordingly. The Respondents are here-by ordered to pay to the Petitioner the value of the coconut trees planted in certain part of the northern portion on the prices above-mentioned per coconut tree, which part the latter relin-quishes unto the former. The parties, are hereby ordered likewise to pay the costs proportionately, 1/2 by the Petitioner and the other half by the Respondents.’ In compliance with the agreement of the parties in the said case and the decision of the court, the defendant paid the plaintiff the number of coconut trees planted by the plaintiff, Exhibits ‘E’, ‘E-1’, ‘E-2’, ‘E-3’, and ‘E-4’ as well as the plaintiff paid the defendant, Exhibits ‘4’ and ‘4-A’. They also divided the land in accord-ance with the agreement and the decision of the court, Exhibit ‘M-1’. In order to distinguish the share of each, a fence was constructed at the middle of the property separating the share of the plaintiff and the defendant. On October 12, 1954, the land was surveyed and divided into two equal parts which survey is PSD-43553, Exhibit ‘D’, and approved by the Bureau of Lands on April 26, 1955. The plaintiff declared for taxation purposes her share and paid the corre-sponding land taxes, Exhibit

'B' Tax Declaration; Exhibits 'C'; 'C-1' to 'C-7', receipts of payment of taxes. Contrary to the agreement and to the decision of the Court, the defendant appropriated unto himself the whole area covered by Original Certificate of Title No. G-207, which was the subject of Special Proceedings No. 211, and was able to have the said certificate of title cancelled and a new Certificate of Title No. 1053 issued in his favor covering the whole land. Even before the filing of Special Proceedings No. 211, the plaintiff has been in actual, open and continuous possession of one-half (1/2) of the property up to the present time without molestation from the defendant. Upon knowing that the defendant was able to have the Transfer Certificate of Title No. 1053 covering the whole land issued in his favor dated June 5, 1961, she filed the instant case for the reconveyance of one-half (1/2) of the prop-erty.

"The defendant alleges that Caridad Ar-guelles, the plaintiff herein, has no right to the property in question because she is not an heir to the estate of the late Jose Arguelles. Any question now on that point has already been decided in Special Proceedings No. 211."

Appellant contends that the trial court should have dismissed appellee's complaint, since (a) the decision in Special Proceedings No. 211 is already barred by the Statute of Limitations; (b) the Transfer Certificate of Title No. 1053 had already become indefeasible, since the title was issued to appellant on June 5, 1961 and, therefore, almost four (4) years had elapsed before the action was filed on April 30, 1965; and (c) the "non-enforcement of plaintiffs alleged claim after fourteen (14) years is tantamount to waiver and abandonment".

On the basis of the afore-mentioned facts, We find no merit to the appeal.

1. Appellee and appellant, as parties in Special Pro-ceedings No. 211, appear to have already complied with the terms of the Judgment by compromise, rendered by the trial court. As found by the court a quo, appellant and appellee have paid to each other the value of the coconuts planted in the area relinquished by one to the other. Both parties have actually occupied their respective portions of the property, appellee occupying the northern portion while appellants occupied the southern portion thereof, which portions are separated by a fence constructed by them at the middle of the property. On October 12, 1964, a survey was conducted and the subdivision plans of the property dividing the property into two equal parts and delineating the portions allotted to each other were made, which survey plans (PSD-43553, Exhibit "D") were ap-proved by the Bureau of Lands on April 26, 1955. Appellee's portion of the property has been declared in her name for taxation purposes (Exhibit "13") and the annual realty taxes corresponding thereon have been paid by her since 1952 (Exhibits "C", "C-1" to "C-7"). Those facts must be deemed uncontroverted. Appellant, in appealing this case directly to this Tribunal on purely questions of law, had foreclosed any review of the trial court's findings of fact, for in a direct appeal to this Court on questions of law, appellant "must be deemed to have accepted as conclusive all the lower court's findings as established by evidence, only questions of law being brought to Us for review." [1]

It is evident, therefore, that contrary to the claim of appellants, the Judgment in Special Proceedings No. 211 had actually been enforced and executed by the actual occupancy by the parties of their respective portions of the property and by the exercise by them of their rights of ownership thereon. The action instituted by appellee is to annul the transfer certificate of title secured by appellant from the Register of Deeds, on the basis of his affidavit adjudicating to himself exclusively the ownership of the prop-erty covered by Original Certificate of Title No. G-207 in the name of Jose Arguelles, notwithstanding the aforesaid Judgment by compromise and the recognition by appellant of appellee's ownership and possession of one-half (1/2) of the property.

2. The rule that a decree of registration once issued becomes final and incontrovertible one (1) year after its issuance is not relevant to the case at bar. Appellee does not question the validity of Original Certificate of Title No. G-207 which was issued to Jose Arguelles for, as a matter of fact, the said title was the basis of the Judgment by compromise executed by appellant and appellee in Special Proceedings No. 211. What appellee sought in the

action for reconveyance was the annulment of Transfer Certificate of Title No. 1053, which was issued to appellant long after the afore-mentioned Judgment by compromise had been implemented by the parties, on the basis of his misrepresentation in his affidavit filed with the Register of Deeds of Palawan that he and his brother, Alberto Timbancaya, are the exclusive owners of said property because “they are the only legitimate children and surviving heirs of our parents Jose Arguelles and Rufina de los Reyes, all deceased”. This representation is contrary to the admissions by appellant himself that “they are not the legitimate children of the deceased Spouses Jose Arguelles and Rufina de los Reyes, but the sons of Rufina de los Reyes with her husband, Joaquin Timbancaya” and inconsistent with his admissions in the Compromise Agreement approved by the court a quo in Special Proceedings No. 211. In an earlier case,[2] where a patent was issued by the Director of Lands covering the lot in question to one Obot (Bagoba) and upon the death of the patentee, appellants, upon the claim that they were the only heirs of the deceased, were able to obtain another title in their own name to the prejudice of appellee, We held that the action filed by the appellee to “recover the ownership and possession” of said parcel was, in effect, one to annul the title issued to appellant on the ground of fraud, and not a petition for review under Section 38 of Act 496, as amended.

The action to annul the title or the action for reconveyance has its basis in Section 55 of Act 496, as amended, which provides that “in all cases of registration procured by fraud the owner may pursue all his legal and equitable remedies against the parties to such fraud, with-out prejudice, however, to the rights of any innocent holder for value of a certificate of title.” This is a remedy which is available as long as the property has not passed to an innocent third person for value. It is independent and distinct from that authorized by Section 38 thereof, which has for its purpose the reopening of the decree of title, on the ground of fraud, within one (1) year from its issuance.

In the case at bar, appellant having secured thru his misrepresentation a transfer certificate of title in his exclusive name covering the whole property to the prejudice of appellee, the trial court did not commit any error in ordering the cancellation of the aforesaid title. As this Court observed in various cases,[3] “public policy demands that a person guilty of fraud or at least, of breach of trust, should not be allowed to use a Torrens title as a shield against the consequences of his own wrongdoing.”

Having reached the foregoing conclusions, it appears unnecessary to discuss appellant's third assignment of error, it being inconsistent with the aforecited facts.

ACCORDINGLY, the judgment appealed from is AFFIRMED, with costs against the appellant.

Fernando, (Chairman), Barredo, Aquino, and Martin, JJ., concur.

Concepcion Jr., J., is on leave.

[1] Victoriano v. Lao, 33 SCRA 53, 61; Lanza v. Guerrero, 29 SCRA 107; Saldares v. Martinez, 29 SCRA 745; Eavis v. Municipality of Sabangan, 27 SCRA 92; Luna v. Plaza, 26 SCRA 310; Miguel v. Catalino, 26 SCRA 234; Perez v. Araneta, 24 SCRA 43; Abuyo v. De Suazo, 18 SCRA 600.

[2] Aring v. Original, 6 SCRA 1021.

[3] Jacinto v. Jacinto, 115 Phil 363, 370; Cabanos v. Register of Deeds, 40 Phil. 620; Severino v. Serverino, 41 Phil. 343.

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