

**SISENANDO ARGUIETA ET AL., PLAINTIFFS AND APPELLANTS VS.
VICENTE CORCUERA ET AL., DEFENDANTS AND APPELLEES.***G. R .No. L-3537. May 21, 1951*

Ponente: BENGZON, J.

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The Court of Appeals, by resolution, forwarded this case to us because the assignments of error center around purely legal questions. The litigation involves the alleged right of appellants to purchase from the Government certain parcels of friar lands in Cavite.

On or about October 21, 1927, the Director of Lands acting under Act No. 1120 executed in favor of Carlos T. Tirona and Vicente Corcuera a contract of sale of lot No. 2062 of the Santa Cruz de Malabon Friar Lands Estate in Cavite for the sum of P7,716 payable in 15 annual installments (Sales Certificate No. 2991).

On April 28, 1930 Carlos T. Tirona with the approval of the Director of Lands conveyed all his interest in the lot to his co-vendee Vicente Corcuera, who continued cultivating and improving the lot. But for their failure to pay several annual installments, the Secretary of Agriculture and Commerce cancelled the sales contract, on March 3, 1937, and instructed the Director of Lands to proceed with the sale of the land in accordance with Commonwealth Act 32. Plans were accordingly made subdividing the parcel into smaller lots occupied and cultivated by some of plaintiffs-appellants who, being tenants of Corcuera continued occupying the land even after his contract had been "cancelled", and filed applications for the purchase of the portions respectively occupied by them.

However upon petitions to reconsider, the Secretary of Agriculture suspended on July 29, 1937, the effects of the cancellation of the sale certificate, and also the sale of the lots, and ordered a re-investigation of the case. Upon timely motions for reconsideration to reinstate the sale, investigations were conducted on the question whether the applicants were bona fide occupants and not mere dummies, and whether Corcuera continued his occupation thru said occupants who were his tenants; but no definite decision had been reached, when in the year 1943 the Philippine Executive Commission promulgated Executive Orders Nos. 138 and 228 expressly permitting delinquent purchasers of friar lands whose contracts had already been cancelled to make repurchase under certain conditions, including full payment of their outstanding obligations.

Thereafter, on January 18, 1944, the Director of Lands decided to promulgate no final ruling on the re-investigations as to whether the cancellation had been properly ordered and on the respective rights of the claimants, inasmuch as even if the cancellation be given full effect, Vicente Corcuera had the right to repurchase and had invoked such right under the new executive orders. Corcuera, fulfilled all the other conditions imposed by the orders including the payment of the whole purchase price. Wherefore he was given by the Minister of Agriculture and National Resources of the so-called Republic of the Philippines a final deed of conveyance, dated April 5, 1944, upon the strength of which he secured from the Register of Deeds of Cavite his transfer certificate of title No. A-1308. And sometime in July 1945 he transferred the land for value to his co-defendant Norberto Lupisan, who in turn duly obtained a Torrens certificate in his own name, Exhibit 11.

On February 10, 1947 the eight plaintiffs brought suit in the Court of First Instance of Cavite praying for annulment of the above certificates of title and for decrees commanding the Director of Lands to recognize their preferential rights to purchase the lots herein above mentioned. Defeated in that court, they appealed in due time. Their stand may be stated briefly in the following propositions:

- Upon cancellation of the sale certificate in 1937 the lot acquired the status of friar lands "still undisposed of within the meaning of Commonwealth Act No. 32 that granted to actual bona fide occupants preferential rights to purchase.
- The plaintiffs being such occupants acquired a vested right of which they could not be deprived even by subsequent legislation.
- Executive Orders Nos. 138 and 288 of the Philippine Executive Commission were null and void, and the sale of Corcuera pursuant to said orders was also null and void.

I. The first proposition assumes that the cancellation of the sales certificate No. 2991 in 1937 became definite and final. But on July 29, 1937 the Secretary suspended the effects thereof, and the Bureau of Lands did not consider the matter closed, entertaining several petitions for reconsideration even as late as January, 1944. It may not, therefore, be said that the cancellation permanently changed the status of the lot to render it disposable under Commonwealth Act No. 32.

II. Now, as the land did not revert to the mass of undisposed friar lands the petitioners may not assert any vested right to purchase it, because by their own allegations such vested right is predicated upon their assumption that Corcuera's contract of sale had been definitely set aside. Besides, there was an unresolved issue on the question whether they were bona fide occupants, and not mere "dummies."

Anyway the rights they may invoke must be subordinated to the question whether the disposition made in accordance with the orders of the Philippine Executive Commission may now be overthrown, for the reason, expounded by plaintiffs, that such orders, and the conveyance were totally null and void. The appellants maintain that only the "de jure" Philippine Government had the right to dispose of the lands,

III. We have said thru Mr. Justice[1] Feria in *Co Kim Cham vs. Valdez*¹, 41 Official Gazette, 769 that the Philippine Executive Commission and the Republic of the Philippines during the Japanese occupation were de facto governments and that all acts and proceedings of their legislative, executive and judicial departments except those of political complexion were "good and valid" even after the liberation or reoccupation of the Philippines by the American and Filipino Forces". Id. p. 785.

There was nothing political in the executive orders mentioned. They were enacted for the benefit of private individuals, purchasers of friar lands. In fact in *Etorma vs. Ravelo*, 44 Off. Gaz., 2247 we ruled that the Acts authorizing and regulating the grant of free patents to occupants or possessors of public lands are municipal laws devoid of political complexion. Wherefore the deed of conveyance to Corcuera must be held valid at this time.

It should be observed that in this instance the Director of Lands during the Japanese occupation did nothing more than to carry out the pre-war contract of the Philippine Government. There could be no legitimate objection to that. And the payment of the purchase price to the de facto government could not be lawfully differentiated from the payment to such government of pre-war tax liabilities, the validity of which none so far has disputed.

The appellants quote Oppenheim International Law to the effect that "if the occupant has sold immovable State property, such property may afterwards be claimed from the purchaser, whoever he is, without compensation." Supposing that is the standing doctrine—we have not gone into the matter—nevertheless it would be natural to

expect that the claim for restoration will normally be made by the State, the Philippine Government, not by private individuals, like the plaintiffs. Far from claiming for restoration or annulment, the Government thru the Director of Lands, sustains the legitimacy of the sale to Corcuera.

Aside from the preceding considerations there is a further equitable, if not legal, objection to plaintiffs' petition: the lot has been transferred to the other defendant, Norberto Lupisan, who must be presumed to be a purchaser in good faith. True, the plaintiffs point out to some suspicious circumstances. But granting for the sake of argument that Lupisan did not act bona fide there is a second stumbling block: According to annotations in Exhibit 11, on October 16, 1945 a part of the lot was sold to Ricardo C. Area; and on October 17, 1945 the remaining portion was mortgaged to Domingo Pablo for the sum of P10,000. Of this sale and of this encumbrance the plaintiffs allege exactly nothing. Said two persons are not even parties to this litigation.

It follows from the foregoing exposition that the plaintiffs may not be granted the relief they demand. Judgment affirmed with costs.

Paras, C. J., Feria, Padilla, Tuason, Montemayor, Jugo and Bautista Angelo, JJ., concur.

[1] 75 Phil., 113, 371.

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