

TEODORO LANDIG, PLAINTIFF AND APPELLANT, VS. U. S. COMMERCIAL COMPANY, THE PROVINCIAL SHERIFF OF PAMPANGA AND THE LUZON SURETY COMPANY, INC., DEFENDANTS AND APPELLEES.

G. R. No. L-3597. July 31, 1951

Ponente: BAUTISTA ANGELO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/bd2cba3ae86c/>

BAUTISTA ANGELO, J.:

This is an appeal from a decision of the Court of First Instance of Pampanga dissolving the preliminary injunction issued against defendant and declaring "that anyright or rights that the herein plaintiff might have acquired by virtue of the absolute sale, Exhibit "A", on the seven (7) parcels of land levied under execution by the Provincial Sheriff are subject to the rights of the herein attached creditor, U. S. Commercial Company, until said rights shall have been fully satisfied by proceeding with the execution sale of the one-half interest of the above mentioned properties pertaining to Marcelo Diaz, and to pay the costs". No pronouncement was made with respect to the claim for damages of both parties.

Marcelo Diaz and Castor Larin were the owners in equal shares pro-indiviso of seven (7) parcels of land situated in San Luis, Pampanga, their title thereto being evidenced by certificates of title Nos. 21655 and 21659 of the register of deeds of said province. On December 18, 1944, Teodoro Landig bought all the rights and interests of Marcelo Diaz in said parcels of land by virtue of a deed of sale executed on said date before notary public A. M. Zarate, of the City of Manila. Said deed of sale was registered on December 1, 1948, and as a consequence thereof Original Certificates of Title Nos. 21655 and 21659 were cancelled and in lieu thereof Certificates of Title Nos. 2634 and 2635 were issued.

On February 20, 1941, Castor Larin and his co-owner Marcelo Diaz obtained a loan of P3,000 from the then existing Agricultural and Industrial Bank and to guarantee said loan they executed a mortgage on two of said parcels of land in favor of said Bank. For failure on their part to pay the obligation, the provincial sheriff of Pampanga, at the instance of the Rehabilitation Finance Corporation, successor in interest of the Agricultural and Industrial Bank, set the extra judicial sale of the properties mortgaged on December 2, 1948. On said date, Teodoro Landig had already acquired the interest of Marcelo Diaz and so he paid the loan to the mortgagee amounting to P4,800.95, including interest, and as a result of the Rehabilitation Finance Corporation assigned its interest in the mortgage to Teodoro Landig by virtue of a document ratified before notary public Jose M. Garcia, of the City of Manila. The deed of assignment was registered on December 1, 1948.

On June 29, 1948, the U. S. Commercial Company obtained a judgment against Marcelo Diaz in the sum of P14,465.61 in civil cases Nos. 3129 and 3132 of the Court of First Instance of Manila. Said judgment not having been paid, on September 28, 1948, the court issued the corresponding writ of execution, and the same was forwarded to the provincial sheriff of Pampanga for compliance. The sheriff accordingly levied execution on the one-half interest and participation of Marcelo Diaz in the seven (7) parcels of land which he originally owned

proindiviso with Castor Larin and the notice of attachment was registered in the office of the register of deeds and annotated on the original certificates of title Nos. 21655 and 21659 on September 30, 1948.

On October 23, 1948, Teodoro Landig filed a third party claim with the provincial sheriff claiming to be the owner of the interest and participation of Marcelo Diaz in the aforesaid seven (7) parcels of land. By virtue of said third party claim, the provincial sheriff required the U. S. Commercial Company to put up an indemnity bond in the amount of P12,000 if it desired to continue with the sale, and in compliance with such requirement, said U. S. Commercial Company put up the required bond on February 5, 1949, whereupon the sheriff gave notice that he will proceed with the sale notwithstanding the third party claim of Teodoro Landig. And in order to prevent the sale, Teodoro Landig filed the present action. After trial, the court rendered judgment as stated in the early part of this decision.

The only question before us is one of priority of right over the interest and participation previously owned by Marcelo Diaz in the seven (7) parcels of land in question between Teodoro Landig on one hand and the U. S. Commercial Company on the other, the former by virtue of a deed of sale executed in his favor by Marcelo Diaz on December 18, 1944, and the latter by virtue of a writ of execution issued on September 28, 1948.

The lower court decided the issue in favor of the U. S. Commercial Company, it appearing that although Marcelo Diaz executed the deed of sale in favor of Teodoro Landig on December 18, 1944, the U. S. Commercial Company was two months and one day ahead in registering the notice of attachment in the office of the register of deeds. That is, the deed of sale was registered only on December 1, 1948, whereas the notice of attachment was registered on September 30, 1948. Therefore, the lower court concluded that the right acquired by the U. S. Commercial Company over the interest of Marcelo Diaz in the seven parcels of land in question was superior to that of Teodoro Landig in the light of the provisions of the Land Registration Act (Act No. 496) and the recent decisions of the Supreme Court on the matter.

We agree to this finding of the lower court. It should be noted that the seven parcels of land in question were registered under Act No. 496 otherwise known as the Torrens System of Registration. This being so, any transfer affecting said lands shall be governed by the provisions of said act. And this Act clearly provides that no voluntary instrument, excepting a will, purporting to convey or affect registered land, shall take effect as a conveyance or bind the land unless such instrument is recorded in the register of deeds where the land lies, and until such instrument is recorded it shall operate only as a contract between the parties and as evidence of authority to the register of deeds to make the registration, and this is so because the operative act to convey and affect the land is the act of registration (section 50). This is not only the law affecting registered lands, but the interpretation placed on that law by this Court in a number of recent decisions (*William H. Anderson and Co. vs. Garcia*, 64 Phil., 506; *Vargas vs. Tancioco*, 7 Lawyers Journal, 354; and *Bass vs. De la Rama, et al.*, Vol. I Off. Gaz., No. 12 p. 889). Thus, in the case of *William H. Anderson vs. Garcia* supra, this Court held:

"Whatever might have been generally or unqualifiedly stated in the cases heretofore decided by this court, we hold that under the Torrens System registration is the operative act that gives validity to the transfer or creates a lien upon the land (Sees. 50 and 51, Land Registration Act). A person dealing with registered land is not required to go behind the register to determine the condition of the property. He is only charged with notice of the burden on the property which are noted on the face of the register or certificate of title. To require him to do more is to defeat one of the primary objects of the Torrens System. Bona fide purchaser for value of such property at an auction sale acquires good title as against a prior transferee of the same property if such transfer was unrecorded at the time of the auction sale."

In the light of the foregoing authorities, the conclusion is inescapable that the deed of sale executed in favor of Teodoro Landig did not take effect as a conveyance or bind the land until December 1, 1948, when the sale was

registered in the office of the register of deeds and was annotated on the corresponding certificates of title, and that the levy of execution issued at the instance of the appellee, U. S. Commercial Company, which was registered and annotated on said title two months ahead, has not been affected thereby. The latter, therefore, acquired a more paramount right over the property than the former.

But appellant insists that notwithstanding the priority of registration of the notice of attachment which was effected by the sheriff in the office of the register of deeds at the instance of the appellee, the deed of sale made in his favor can still be considered superior and paramount because his title and right over the land has passed to him by virtue of the mere execution of the deed of sale and his simultaneous possession and enjoyment of the land. And in support of his contention, he cites the cases of *Casimiro vs. Fernandez*, 9 Phil., 563; *Fabian et al., vs. Smith Bell and Co.*, 8 Phil., 499; *Martinez vs. Holliday Wise and Co.*, 1 Phil., 197, and *Peterson vs. Newberry*, 6 Phil., 260. But we notice that the aforementioned cases involve properties registered under the Spanish Mortgage Law and not under the Torrens System (Act No. 496) and as such the ruling laid down therein was declared inapplicable to lands registered under said Act No. 496. Said the court in *Buzon vs. Licauco*:

"But it is to be observed that in none of these cases had the property been registered under the provisions of Act No. 496.. known as 'The Land Registration Act', nor were the levies of attachment made, as in this case, under the provisions of that Act touching 'attachment and other liens'. And while an unrecorded deed of conveyance executed by the owner of land not registered under the provisions of the Land Registration Act conveys the title and ownership to the purchaser as of the date of its execution, so that a subsequent levy of an attachment or execution by a judgment creditor of the vendor is void and of no effect, the same rule can not be applied where the land has been registered under that Act, because, by its terms, an unrecorded deed of conveyance does not convey or affect the land until and unless the transaction is duly registered." (13 Phil., 354).

Appellant also invokes in his favor the case of *Felipe Buencamino, Jr. vs. Bantug and De Dios Ocampo*, 58 Phil., 521, wherein it was held that "The belated registration of the deeds of conveyance does not impair the validity and efficacy thereof, inasmuch as the records show that all the requisites of the law thereof have been complied with. It necessarily follows, therefore, that when the sheriff-appellant attached the real property in question, it no longer belonged to the judgment debtor". But the ruling in the *Buencamino* case, aside from the fact that it does not involve a conflict of registration, can hardly be of any consequence in this case considering the recent rulings of this Court in the cases we have already mentioned in the early part of this decision. In matters affecting registered lands, we wish to hold on steadfastly to the ruling we have enunciated in the *Anderson* case to the effect that "whatever might have been generally or unqualifiedly stated in the cases heretofore decided by this Court, we hold that under the Torrens System registration is the operative act that gives validity to the transfer or creates a lien upon the land". This ruling is decisive of the present case.

Wherefore, the judgment appealed from is affirmed, with costs against the appellant.

Paras C. J., Feria, Pablo, Bengzon, Padtila, Tuason, Montemayor, Reyes and Jugo, JJ., concur.

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.