

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. HON. COURT OF APPEALS, EMILIO BAYONA, MAXIMA R. DE SEPE, SPS. ARTURO SEPE AND DOMINICA SIMEON, SPS. ASUNCION SEPE AND AMBROCIO DAGUL...

G.R. No. 101115. August 22, 2002

Ponente: AUSTRIA-MARTINEZ, J.

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AUSTRIA-MARTINEZ, J.:

Before us is a petition for review on certiorari filed by petitioner Republic of the Philippines assailing the decision of the Court of Appeals dated July 17, 1991,[1] in CA-G.R. CV No. 24714 which affirmed the decision of the Regional Trial Court of Pasay City,[2] dismissing petitioner's complaint for annulment of title and reversion.

The factual background:

On June 6, 1975, petitioner filed with the Regional Trial Court of Pasay City, (Branch 118), a complaint for annulment of title and reversion against private respondents who filed their Answer. The respective claims of both parties were summarized by the Court of Appeals in its assailed decision, as follows:

“In its complaint, the Government alleged that on May 6, 1944, Original Certificate of Title No. 275 (7431) of the Registry of Deeds of Manila was issued to Abundia Romero, covering lot 179, Psd-790 of the Malibay Estate in Pasay City, supposedly pursuant to Patent No. 481, purportedly issued on the basis of Insular Government Property Sales Application No. 1794; that the Patent did not exist in the records of the Bureau of Lands or in the Bureau of Building and Real Property Management; that on the contrary what appeared in the records of the Bureau of Lands was an application for the same lot (IGPSA No. V-296) which another person, Pedro dela Cruz, had filed; that Abundia Romero never resided in nor occupied the lot in question; that OCT No. 275 (7431), which was purportedly issued to her by the then Minister of Agriculture and Natural Resources, did not bear the latter's signature but only the words ‘(Sgd.) Raf. R. Alunan’; that in OCT No. 275 (7431) Abundia Romero's status appeared to be that of ‘widow’, but in her death certificate her status was stated as ‘single’; that in 1946, a certain Ruperto Sepe claimed to be Abundia Romero's surviving husband and administrator of her intestate estate; that the Lot was not among the properties left by the late Abundia Romero; that on February 8, 1971, claiming that OCT No. 275 (7431) had been lost while in her possession, defendant-appellee Maxima Sepe filed a petition for reconstitution of the title, which the Court of First Instance granted on March 6, 1971; that in her petition, Maxima Sepe made it appear that the registered owners of the property were the spouses Abundia Romero and Ruperto Sepe, when she very well knew that the Lot was registered in the name of Abundia Romero who was described in OCT No. 275 (7431) to be a ‘widow’.

“The Government further alleged that on March 29, 1971, defendant –appellees surnamed Sepe, executed an extrajudicial partition, adjudicating to themselves the lot in question; that they had been able to secure the approval of the Land Registration Commission of a subdivision plan, subdividing the Lot into Lots Nos. 179-A, 179-B & 179-C, all under their names; that by means of the approved subdivision plan they succeeded in concealing the defect in OCT No. 275 (7431) and in securing the issuance of TCT Nos. 16324, 16325 and 16326 in their names; and that to make it appear that they had a valid title to the lots, defendant-appellees

Maxima Sepe and her six children sold Lots 179-A and 179-B to defendant-appellee Emilio Bayona, to whom TCT Nos. Nos. 16327 and 16328 were issued.

“The Government asked the court to annul Sales Patent No. 481 and OCT No. 275 (7431) in the name of Abundia Romero, TCT Nos. 16327 and 16328 in the name of Emilio Bayona, and TCT No. 16326 in the name of the Sepes; Subdivision Plan Psd-137612; and all transactions concerning the land in question and to order the reversion of the land to the public domain.

“Defendant- appellees filed an answer, in which they insisted that the Lot had been sold on August 9, 1938 to Abundia Romero, their predecessor –in-interest, under IGPSA No. 1794, pursuant to Act No. 3038, in relation to Chapter V, Title II of Commonwealth Act No. 141 and that on May 26, 1944, Sales Patent No. 481 had been issued to her and registered in her name. They admitted that OCT No. 275 (7431) did not bear the signature of then Secretary of Agriculture and Commerce Rafael R. Alunan, but claimed that lands granted by the Insular Government at that time did not really bear the signature of Secretary Alunan but only the word “(Sgd)” before his name. They alleged that OCT No. 275 (7431) had been upheld by the Bureau of Lands in other cases.

“With respect to Abundia Romero’s status, which was stated to be a ‘widow’ in OCT No. 275 (7431), they contended that this was not conclusive of her actual status. They also denied that she was single at the time of her death on September 17, 1945.

“Defendant-appellees admitted having stated in their petition for reconstitution that the registered owners of the land were Abundia Romero and Ruperto Sepe, but they denied that the registered owner was only Abundia Romero.

“By way of special and affirmative defenses, they alleged that (1) the government had no cause of action against them; (2) the defendant –appellees’ title to the property was absolute, indefeasible and unimpeachable; (3) the action had already prescribed; the defendant-appellee Emilio Bayona was a buyer in good faith and for value; and (5) the courts of Pasay City had upheld their title to the property.”[3]

After trial on the merits, the trial court rendered its decision on January 31, 1989, dismissing petitioner’s complaint for annulment of title and reversion. It declared that OCT No. 275 (7431) is valid despite the absence therein of the signature of Rafael Alunan, the then Commissioner of Agriculture and Natural Resources, since private respondents were able to present several titles issued in the same year which, like the assailed title, did not also bear the signature of the former Minister but only the word “SGD” was indicated before the name; that the titles where Minister Alunan’s name appeared were among the official records on file in the Office of the Register of Deeds; that since OCT No. 275 (7431) is valid, it follows that Sales Patent No. 481 under IGPSA No. 1794 validly existed among the records of the Bureau of Lands in the name of Abundia Romero; that the validity of OCT 275 (7431) was upheld in an Order issued by the Bureau of Lands against the claim of a certain Valentin Francisco and Luis San Pedro over herein subject Lot 179 and by the letter of then Minister Arturo Tanco Jr., dismissing the letter-appeal of Francisco of the earlier order of the Bureau of Lands; that the issues in this case were already resolved with finality in favor of private respondents by the Regional Trial Court of Pasay City, Branch 114, in Civil Case No. 8432-P, entitled Valentin Francisco vs. Hon. Pedro J.L. Baustista, et al. wherein herein petitioner was also impleaded as a co-defendant. Lastly, the trial court found Emilio Bayona to be a purchaser in good faith and for value of the subject property.

The RTC (Branch 118) also declared Abundia Romero to be married to Ruperto Sepe since there were other certificates of titles issued in the name of Abundia Romero married to Ruperto Sepe which were found in the Register of Deeds of Metro Manila covering different parcels of land.

Petitioner Republic filed its appeal before the respondent Court of Appeals claiming that the trial court erred in: (a) ruling that Original Certificate of Title No. 275 (7431) was legally issued to Abundia Romero; (b) not declaring that Lot No. 179, Psd-790 of the Malibay Estate, Pasay City, which is covered by OCT 275 (7431), was

illegally acquired by respondents Sepes; (c) holding that respondent Emilio Bayona was a buyer in good faith and for value; and (d) not granting the reliefs prayed for by petitioner.[4]

On July 17, 1991, the respondent appellate court rendered its Decision affirming the assailed decision of the trial court. The Court of Appeals found petitioner's contention that the certificate was not legally issued by the Secretary of Agriculture and the Register of Deeds of Manila in the absence of their signature therein as not meritorious considering that the original of a Sales Patent was the one signed by the Secretary of Agriculture in behalf of the President; that pursuant to Sec. 122 of Act No. 496, a copy of the Patent was sent to the Register of Deeds who copied it in the Original Certificate of Title which he issued; that the word "SGD" was merely indicated in the OCT to show that the Patent copied therein was signed by the Secretary; that it was the OCT that must be signed by the Register of Deeds as the issuing authority; that the Register of Deeds of Pasay City certified that the original copy of OCT NO. 275 (7431) was registered in the name of Abundia Romero.

The Court of Appeals also found that Sales Patent No. 481 and IGSPA No. 1794 were pre-war records which could have been destroyed along with the other records of the Bureau of Lands as certified to by the Acting Chief of the Records Division of the Bureau of Lands; that the Bureau of Lands had issued an Order dated January 12, 1973 which affirmed the grant of Sales Patent No. 481 to Abundia Romero and annulled the subsequent disposition of the same lot to other applicants; that the heirs of Prudencio Sepe have a right to succeed to the estate of Abundia Romero had been declared with finality in Civil Case No. 8432-P of RTC of Pasay City; that petitioner was not a proper party to question the right of the respondents Sepes over the subject lot; that the issue of the marital status of Abundia Romero has no bearing to the validity of OCT No. 275 (4731); that whether or not Emilio Bayona was a purchaser in good faith and for value was not for the government to question as such right pertained only to the heirs of Abundia Romero.

Petitioner filed herein petition for review on certiorari on the following grounds:

"I

"RESPONDENT COURT ERRED IN SUSTAINING THE TRIAL COURT'S RULING THAT ORIGINAL CERTIFICATE OF TITLE NO. 275 (7431) WAS LEGALLY ISSUED TO ABUNDIA ROMERO.

"II

"RESPONDENT COURT ERRED IN RULING THAT PETITIONER HAS NO RIGHT TO QUESTION THE RIGHT OF RESPONDENT SEPES TO SUCCEED TO THE ESTATE OF ABUNDIA ROMERO;

"III

"RESPONDENT COURT ERRED IN DISREGARDING PETITIONER'S CONTENTION AGAINST THE TRIAL COURT'S FINDING THAT RESPONDENT EMILIO BAYONA WAS A BUYER IN GOOD FAITH AND FOR VALUE; AND

"IV

"RESPONDENT COURT ERRED IN DISMISSING PETITIONER'S APPEAL AND AFFIRMING THE TRIAL COURT'S DECISION APPEALED FROM."[5]

The petition was given due course and the parties were required to submit their respective memoranda.[6] No memorandum was filed by private respondents.

Petitioner claims that a reading of the ruling of the Court of Appeals would show that its findings was based on the fact that "the portion which would show whether the space for the signature of the Register of Deeds was signed was cut out". Petitioner argues that if that portion was not cut out, it would have shown that the certificate

of title was not signed by the Register of Deeds and the court's ruling would have been different. Further, petitioner faults the Court of Appeals in finding respondents Sepes to have legally acquired the land covered by OCT NO. 275 (7431) and holding respondent Emilio Bayona as buyer in good faith and for value. Finally, petitioner avers that the respondent court erred in finding that it has no right to question the acquisition of the subject land by the private respondents; that under Art. 1011[7] of the Civil Code, it is explicitly provided that in the absence of any intestate heirs, the State shall inherit the whole estate;

We find no merit in the petition.

Respondent appellate court's declaration of the validity of OCT No. 275 (7431) was based on the findings of the trial court that the Register of Deeds of Manila had issued OCT No. 275 (7431) in the name of Abundia Romero on the basis of Sales Patent No. 481 which was issued pursuant to her Insular Government Property Sales Application No. 1794 with the Bureau of Lands. This finding was supported by the Order dated January 12, 1973 signed by then Assistant Director of Bureau of Lands, David Eusebio,[8] who, after conducting an investigation found out that herein subject Lot No. 179, Psd.-790 was titled to Abundia Romero by virtue of her application over the subject lot. Such a finding was re-affirmed in a letter dated May 7, 1973 signed by then Secretary of Agriculture and Natural Resources, Arturo R. Tanco, in response to the appeal of a certain Valentin Francisco from the order of the Bureau of Lands rescinding his subsequent deed of sale over a portion of the subject lot on the ground that the Bureau of Lands had no jurisdiction to dispose of the subject land which it had earlier disposed and awarded to Abundia Romero. This in effect, confirmed the authenticity of OCT No. 275 (7431).[9]

The statement made by the Court of Appeals that the portion which would show whether the space for the signature of the Register of Deeds was not signed was cut off was a mere observation which did not detract from its findings that OCT No. 275 (7431) was valid and legally issued. While the signature of the Register of Deeds does not appear in the OCT No. 275 (7431) but only the word SGD was indicated before the name, such is not sufficient to invalidate the same considering that Manuel G. Monsod, the Register of Deeds of Pasay City, issued a certification affirming the existence of a copy of the original of OCT No. 275 (7431) in the name of Abundia Romero in their Registry which petitioner even admitted in their Memorandum. The office of the Register of Deeds constitutes a public depository of records or documents affecting titles to lands in the province or city wherein such office is situated,[10] hence the existence of OCT No. 275 (7431) in the Registry further supports the authenticity of the title.

Moreover, it bears stress that the authenticity of OCT No. 275 (7431) had been raised and resolved in the case filed by a certain Valentin Francisco before the Regional Trial Court of Pasay City, Branch 114, in Civil Case No. 8432-P.[11] Impleaded as defendants therein were all the herein private respondents, namely: Emilio B. Bayona, Maxima R. de Sepe, Sps. Arturo Sepe and Dominica Simeon, Sps. Asuncion Sepe and Ambrosio Daguio, Sps. Dominador Sepe and Remedios Nepomuceno, Sps. Enrique Sepe and Magdalena Serial, Matilde Sepe, Mariano Sepe, including herein petitioner Republic of the Philippines together with Hon. Arturo R. Tanco, Jr., David Eusebio, The Land Registration Commissioner, Quezon City, Register of Deeds of Pasay City and the Sheriff of Pasay City.

The trial court in its decision dated July 24, 1986 upheld the authenticity of OCT No. 275 (7431), thus:

"Plaintiff assails the validity of said OCT No. 275 (7431) allegedly because Abundia Romero, the vendee, made material concealments or deliberate falsehoods in her sales application. The aforesaid claim is devoid of support in the evidence and is ruled out by the settled rule that findings of fact made by the Director of Lands when approved by the Secretary of Agriculture and Natural Resources are conclusive (*Ganitano vs. Sec. of Agriculture and Natural Resources*, et al., L-21167, March 31, 1966, 16 SCRA 543, p. 548). It is further contended that OCT No. 275 (7431) does not bear the signature of the Secretary of Agriculture and Natural

resources, Hon. Rafael R. Alunan (Exh. K). The efforts exerted by plaintiff's counsel to establish his claim are undeniably extensive and praiseworthy. His evidence, testimonial and documentary, tended to show that OCT No. 275 (7431) was issued on May 6, 1944 under the incumbency of Hon. Rafael R. Alunan when said public official was then no longer such as it would appear that Hon. Vicente Singson Encarnacion was the Secretary of Agriculture and Natural Resources from 1942 to 1945 (Exhibits "H","H-1", "H-2", "I", "I-1"; tsn, p. 13, May 26, 1983). The Court however, is of the view that the authenticity of OCT No. 275 (7431) may no longer be contested at this time. Besides the considerable number of years which have elapsed, the Department of Agriculture and Natural Resources itself, thru the late Secretary Arturo Tanco, Jr. had accepted the authenticity of said original certificate of title Exh. "2")." [12]

Likewise, in the same case, the trial court declared the heirs of Prudencio Sepe to have legally acquired the lot covered by OCT No. 275 (7431). The trial court's decision had long become final and executory. The pertinent portion of the final decision reads:

"Regarding plaintiff's claim that defendant Emilio B. Bayona did not acquire title to the land when he purchased the same from the Sepe family because the latter are not the rightful owners thereof, the Court believes that the instant case is hardly the forum to raise the issue of heirship, aside from the consideration that plaintiff is not the proper party to ventilate the same. Be that as it may, as against the mere unsupported claim of plaintiff, there is evidence inferable from the documentary exhibits on record that when Abundia Romero died in February 1945, she left her husband Ruperto Sepe as her only heir. On October 27, 1950, said Ruperto Sepe died leaving as his only heir his brother Prudencio Sepe who later died leaving as his heirs his surviving wife Maxima Sepe and their six (6) children. (See Exhibit 'E' in relation to Exhibits 'L','M','N'). There appears to be a valid and regular succession of rights and interests. Plaintiff's claim that Maxima Sepe falsely alleged in her petition for issuance of a second owner's certificate of title that her husband is Ruperto Sepe is clearly an innocent mistake. Paragraph No.3 of the same petition avers that the petitioner Maxima Sepe is the widow of Prudencio Sepe who is the brother of Ruperto Sepe, the husband of Abundia Romero. (See Exhibit 'V')." [13]

The trial court's (Branch 114) declaration of the authenticity of OCT No. 275 (7431) and the right of respondents Sepes to succeed to the subject property should no longer be disturbed based on the principle of *res judicata*, also known as "bar by prior judgment". Under this rule, a final judgment or order on the merits, rendered by a Court having jurisdiction of the subject matter and of the parties, is conclusive in a subsequent case between the same parties and their successor-in-interest by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity.[14]

There is no question that Civil Case No. 8432-P and the instant case involve the same subject matter, i.e. the property covered by OCT No. 275 (7431); the same parties, considering that both herein private respondents and petitioner were impleaded as co-defendants; identity of causes of action because both cases seek the annulment of OCT No. 275 (7431).

The foundation principle upon which the doctrine of *res judicata* rests is that parties ought not to be permitted to litigate the same issue more than once; that when a right or fact has been judicially tried and determined by a court of competent jurisdiction, so long as it remains unreversed, should be conclusive upon the parties and those in privity with them in law or estate.[15]

Consequently, the final judgment of the trial court in Civil Case No. 8432-P is binding upon petitioner as a co-defendant in said case.

As respondents Sepes were confirmed owners of the subject lot by virtue of their inheritance from their deceased father Prudencio Sepe, they had the right to extra-judicially partition the subject property among themselves. Consequently, they had the right to sell portions of the extra-judicially partitioned property to any person and in

this case to the buyer in good faith, private respondent Emilio Bayona who relied on the transfer certificates of titles issued in the names of respondents Sepes when he bought the subject property.

In fine, we sustain the Court of Appeals' decision affirming the trial court's declaration of the validity of OCT No. 275 (7431) and dismissing petitioner's action for annulment of title and reversion applying the principle of *res judicata*.

WHEREFORE, the petition is hereby DENIED and the decision of the Court of Appeals is AFFIRMED.
No costs.

SO ORDERED.

Vitug, and Ynares-Santiago, JJ., concur.
Davide, Jr., C.J., (Chairman), on official leave.

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- [1] Penned by Justice Vicente V. Mendoza (now Associate Justice of this Court), concurred in by Justices Oscar M. Herrera and Alicia V. Sempio Diy ; Rollo, pp. 21-30.
[2] Penned by Judge Conrado M. Vasquez, Jr.; Civil Case No. 4370-P; Rollo, pp. 32-52.
[3] Rollo, pp. 21-24.
[4] *Ibid.*, p. 68.
[5] *Ibid.*, p. 231-232.
[6] Per Resolution dated September 1, 1997, p. 218.
[7] Art. 1011. In default of persons entitled to succeed in accordance with the provisions of the preceding Sections, the State shall inherit the whole estate.
[8] Original records, pp. 634-635, Exhibit "7".
[9] *Ibid*, pp 637-638, Exhibit "8".
[10] Peña, Registration of Land Titles and Deeds, 1982 edition, p 462
[11] Original Records, pp. 648-655.
[12] *Ibid*, p. 652
[13] *Ibid.*, p.653-654.
[14] Section 47(b) Rule 39, Rules of Court
[15] *Nabus vs. CA*, 193 SCRA 732

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