

HEIRS OF GEORGE BOFILL, IGNACIO BOFILL, VICTORIA B. ANASTACIO, REGINA FRANCISCA B. CHUACHINGCO, EVELYN B. SERRA, MANUELITA B. VIZCONDE, LAGRIMAS B. DULLANO, LOURDES B. DASAL, MA...

G.R. No. 107930. October 07, 1994

Ponente: BELLOSILLO, J.

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BELLOSILLO, J.:

This case arose from an action for declaration of ownership over Lot No. 2954-A of the Panay Cadastre, situated in Bo. Linatiran, Panay, Capiz, covered by Transfer Certificate of Title No. T-19894, filed by petitioners against the Sps. Enrique and Flordeliza Begalan and Sps. Jose and Bernardita Catalan, two (2) of private respondents herein. Joining their cause, the heirs of Manuel Barredo, claiming also to be owners of the lot in litigation, filed a complaint in intervention against the petitioners herein, heirs of Manuel Bofill.

On 12 August 1988, the trial court rendered a decision declaring petitioners the owners of the lot in question and entitled to the possession thereof, ordering respondents as defendants therein to vacate the premises, and to pay petitioners P5,000.00 as attorney's fees. The counterclaim as well as the complaint in intervention was dismissed.[1]

The rationale for the foregoing disposition of the trial court is that -

x x x the claim of the plaintiff-intervenors and defendants over this land mainly anchored on the supposed Deed of Exchange of March 8, 1944, executed between Manuel Bofill and Cornelio Barriatos, was a mere exchange of collateral(s) from Lot 526 to Lot 2954-A for a loan of P450.00 obtained by Manuel Bofill. The said loan having been paid one year thereafter, said deed of exchange as collateral for said loan was rendered without legal force and effect, hence no entry in the title covering the lot was made regarding said loan, nor was the title in the name of Manuel Bofill transferred to anybody else up to the present time.

The case filed by Juana Brillo against Sotera Bofill x x x on November 17, 1975 for the registration of the Deed of Exchange of 1944 and for the surrender of the original title was done thirty-one (31) years after its execution, considering laches and prescription, is also without force and effect x x x Moreover, the order in said case has become moot and academic upon the death of Sotera Bofill and the surrender of RO-1456 by her heirs and the cancellation of the same upon the execution of an Extra-Judicial Partition by the heirs of Manuel Bofill and Sotera Bofill and the issuance of the present Certificate of Title No. 19894 in the name of the plaintiffs.

Respondents appealed to the Court of Appeals which on 31 August 1992 reversed and set aside the decision of the lower court. It directed the Register of Deeds of Capiz "x x x to divide TCT No. 19894 into two titles: one in the name of the plaintiffs without including the portion covered by Lot No. 2954-A; the other title covering Lot No. 2954-A in the name of the heirs of Manuel Barredo (herein intervenor-appellants), after payment of the required taxes and fees."

In this petition for review of the decision of the Court of Appeals, we reverse the appellate court and reinstate the judgment of the court a quo.

First. The Court of Appeals erred in rejecting the findings of the trial court which we find to be supported by the evidence on record. Specifically, it discarded the testimonial evidence proving that the Casugot[2] involves an exchange of collaterals securing the P450-loan of Bofill to a certain Cornelio Barriatos without citing any contrary proof nor explaining why such factual finding should be thrown out or ignored. In the same fashion, it casually brushed aside the factual finding of the trial court that the loan of Bofill was paid one year after the execution of the Casugot thereby rendering it without further effect.[3]

We note that this Casugot written in Hiligaynon is ambiguous as the exchange can refer to ownership, possession, collateral, etc. It does not necessarily apply to ownership alone as understood by the Court of Appeals. Apparently, the error of the appellate court lies in the interpretation of the Casugot when it stated in its decision that the document "speaks eloquently of Manuel Bofill's intention to transfer" Lot 2954-A to Barriatos and concluded that it was an exchange of ownership of two (2) lots. This error is not surprising as the appellate court not only adopted the English translation of the Casugot offered by private respondents, which was obviously tailored to suit their purpose, but also because it omitted a material phrase stipulating that Barriatos was returning Lot 526 to Bofill. Without that phrase on the return of Lot 526 it would appear, as it does, that Bofill donated Lot 2954-A to Barriatos which, in effect, would render the deed of exchange an absurdity. Had the Court of Appeals been more accurate and precise in quoting data from the records, perhaps it would have arrived at the right conclusion.

Second. Admittedly, the Casugot clearly reflects the agreement of Bofill and Barriatos with regard to the ownership of Lot 2954, now comprising Lot 2954-A, which is the lot in controversy, and Lot 2954-B. Therein is their clear and categorical covenant: "MANUEL F. BOFILL is the real and absolute owner of two (2) parcels of land, Lot 2954 and Lot 526." This declaration is decisive in the disposition of this case as it contains an express stipulation by the signatories thereto on the ownership of Bofill of the lot in question binding upon them and their successors in interest.

Private respondents attempt to crush this overwhelming evidence by giving certain portions of the Casugot a connotation contrary to the agreement and intention of the parties. Private respondents allege that the 1939 plan subdividing Lot 2954 into Lot 2954-A in the name of Barriatos and Lot 2954-B in the name of Bofill reveals the extent of ownership of the parties over Lot 2954. But the plan reflecting this subdivision is not conclusive as to ownership as it may refer only to the delineation of their possession. The best proof of the ownership of Manuel Bofill is the certificate of title in his name. Moreover, the parties to the agreement apparently did not consider the placing of Lot 2954-A in the name of Barriatos as a transfer of ownership because when they executed the Casugot in 1944 they still acknowledged Bofill as the real and absolute owner of the entire Lot 2954.

Private respondents call our attention to the statement in the Casugot to the effect that Barriatos was already in possession of Lot 2954-A before the subdivision of the lot. This argument is based on an erroneous premise since nowhere in the Casugot is the word "possession" or its equivalent in Hiligaynon mentioned. It is only in the English translation proposed by intervenors, which the Court of Appeals injudiciously adopted, where that word appears. In any case, the exchange of lots as used in the Casugot can refer to exchange of ownership, of possession, of collaterals, or of any other attribute of ownership. Definitely, exchange of lands does not necessarily refer to exchange of ownership. Besides, possession is not a definitive proof of ownership, nor is non-possession inconsistent therewith. Hence, the claim that Barriatos was the possessor of Lot 2954-A is not incompatible with Bofill's claim of ownership.

Private respondents next point us to the crux of the Casugot whereby Barriatos returns his interest in Lot 526 to Bofill in exchange for Lot 2954-A. However, it is not clear from the provision what interest was being traded by the parties. Consequently, we are constrained to lean on the premise they themselves established in the first part of the Casugot, i.e., that Bofill is the real and absolute owner of Lot 526 and Lot 2954. Barriatos not being the owner of either lot, there could not have been a transfer of ownership between them.

As regards the clause creating a right of way on Lot 2954-A in favor of Lot 2954-B undisputably belonging to Bofill, private respondents argue that Bofill would not have required such easement if he were the owner of Lot 2954-A, the latter being considered a servient estate. This argument is fallacious; it is non sequitur. Bofill did not lose ownership of his lot by imposing on it a right of way in favor of another lot belonging to him. Besides, we cannot ignore the practice in the provinces that in giving a realty for a collateral, possession usually goes with it. At the time the Casugot was entered into between the parties, this was a common practice. This further explains the real transaction between them and why Bofill had to demand a right of way over his own land, so that when possession thereof should be transferred to a third person he could still pass through it, otherwise, he may have no ingress to or egress from his estate.

Private respondents focus on the stipulation that if a certificate of title over Lot 2954-A would be issued to Barriatos the above-mentioned right of way would be annotated thereon. While the signatories expressed the possibility of transferring Lot 2954-A to Barriatos in the future, it is quite clear that the provision cited does not forthwith effect such transfer. The records do not reveal that the transfer was eventually carried out by the parties or their successors in interest.

Third. As regards the case filed by Juana Brillo against Sotera Bofill for the surrender of the duplicate certificate of title, the appellate court stated that -

x x x the CFI is also convinced of the strength of Juana Brillo's claim of ownership (which herein appellant-intervenors subsequently acquired) based originally on the aforequoted Deed of Exchange. The above decision does not appear to have been appealed. Thus it is already the law of the case between therein parties and their successors in interest. The CFI's Decision being against plaintiff's mother is binding against the plaintiffs (see Sec. 49, Rule 39 of the Rules of Court).

We cannot agree with this conclusion. For, it was error for the Court of Appeals to assume that the issue of ownership over Lot 2954-A was already determined in Special Case No. 1828 as to bar the present action for declaration of ownership. In that case, the CFI simply directed the mother of petitioners, Sotera Vda. de Bofill, to surrender the duplicate certificate of title over Lot 2954 so that the Casugot and the subsequent instruments of sale covering Lot 2954-A could be annotated thereon. Definitely, that court did not declare Juana Brillo owner of the lot in question. The sole issue resolved by the CFI was whether Juana Brillo was entitled to have the Casugot as well as the documents of sale conveying the rights of Barriatos to her thereunder recorded in the Certificate of Title No. RO-1456 in the name of Manuel Bofill. The ownership of Lot 2954-A and Lot 526 was never raised, hence, was not determined therein in Special Case No. 1828.

Although Juana Brillo prayed for the cancellation of RO-1456 and the issuance of a separate certificate of title in her name which would effectively divest Bofill of his title over Lot 2954-A, this was not granted by the CFI. The CFI merely directed the annotation of the deeds on RO-1456 apparently because there was not enough evidence to negate the title of Bofill over Lot 2954-A. Besides, this was not the appropriate proceeding to adjudicate the ownership of the property. The evidence adduced by Brillo was only sufficient to compel Sotera Vda. de Bofill to surrender certificate of title No. RO-1456. It was not adequate to settle the issue of ownership.

The factual finding of the CFI in Special Case No. 1828 that Lot 526 was owned by Barriatos was, to say the

least, erroneous considering that the Casugot, apparently the same document from which the CFI drew its conclusion, expressly stipulates that Bofill was the owner thereof. In asserting that Barriatos was the real owner of Lot 2954-A and therefore implying that Bofill was the owner of Lot 526, respondents are assailing albeit unwittingly the very decision in Special Case No. 1828 which they now set up as *res judicata* in this case. Thus, in adopting a theory contrary to that maintained in a former decision, a party is now precluded from raising that case as a bar to a subsequent one. Incidentally, the error was adopted by the Court of Appeals.

We emphasize that the decision in Special Case No. 1828 could not bind petitioners herein as they were not parties thereto. The order directing their mother to surrender RO-1456 that was supposed to be in her possession was only personal to her and could not bind anybody else, particularly petitioners herein who were not parties thereto nor notified thereof.

Fourth. In reversing the trial court, the Court of Appeals also reasoned out that -

x x x there is no evidence that plaintiffs religiously paid the taxes due thereon from 1947 up to the filing of their complaint. What appears to have been paid by the plaintiffs were only for the period from 1972 to 1987. However, the same were paid by the plaintiffs belatedly in 1986 and 1987, evidently in anticipation of this controversy. Besides, the receipts of this period do not show whether the taxes paid were also for Lot No. 2954-A considering that they (plaintiffs) own Lot 2954-B. Moreover, payments of realty taxes, more so if not regularly made, are not conclusive evidence of ownership (see *Ferrer-Lopez v. CA*, 150 SCRA 393).

This again is error. The issue as to who of the parties paid the property taxes in good faith is not really paramount in the determination of ownership considering that generally municipal treasurers simply accept payments regardless of conflicting claims of ownership. After all, statements in the tax receipts showing such payment are far inferior to the recitals in the certificate of title. With the Casugot and the certificate of title against them, private respondents miserably failed to carry their burden to a successful conclusion.

WHEREFORE, the appealed decision is REVERSED and SET ASIDE and the decision of the Regional Trial Court of Roxas City, Branch 16, in favor of petitioners in Civil Case No. V-5374 is REITERATED and AFFIRMED.

SO ORDERED.

Cruz, (Chairman), Davide, Jr., Quason, and Kapunan, JJ., concur.

[1] Decision in *Bofill v. Begalan*, Civil Case No. V-5374, Regional Trial Court, Roxas City, Br. 16, penned by Judge Odon C. Yrad, Jr.

[2] *Casugot* in *Hiligaynon* means agreement or stipulation. The full title of the *Casugot* is *Casugot Sa Pag Binaylohan Sing Duta*, which literally means agreement on the exchange of land. This is the same deed of exchange referred to in the RTC decision. *Hiligaynon* is an Austronesian language of the *Hiligaynon* people (those inhabiting Panay and part of Negros, Philippines) related but not mutually intelligible with Cebuano and frequently considered a dialect of *Bisayan* (*Webster's Third New International Dictionary*, 1986 Ed., p. 1069).

[3] Review of the findings of the Court of Appeals is not a function that this Court ordinarily undertakes, for as a general rule, such findings are binding and conclusive upon us (*Tolentino v. De Jesus*, 56 SCRA 67 and cases cited therein; *People v. Traya*, 147 SCRA 381; *Apex Investment and Financing Corp. v. IAC*, 166 SCRA 458). However, jurisprudence has developed certain exceptions to that rule, namely: (1) where the conclusion is a finding grounded entirely on speculation, surmise and conjectures; (2) the inference made is manifestly mistaken;

(3) there is a grave abuse of discretion; (4) the judgment is made on misapprehension of facts; (5) the Court of Appeals went beyond the issues of the case and its findings are contrary to the admissions of both appellants and appellee; (6) the findings of fact of the Court of Appeals are contrary to those of the trial court; (7) said findings of facts are conclusions without citation of specific evidence on which they are based; (8) the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (9) when the findings of fact of the Court of Appeals are premised on the absence of evidence and is contradicted by the evidence on record (Tapalla v. Court of Appeals, G.R. No. 100682, 31 May 1993, 222 SCRA 825, 829).

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