DEVELOPMENT BANK OF THE PHILIPPINES, PETITIONER, VS. THE HONORABLE COURT OF APPEALS AND SPOUSES TIMOTEO AND SELFIDA S. PIÑEDA, RESPONDENTS.

G.R. No. 111737. October 13, 1999

Ponente: GONZAGA-REYES, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-111737/

GONZAGA-REYES, J.:

Before us is a Petition for Review on Certiorari of the decision of the Court of Appeals[1] in CA-G.R. CV No. 28549 entitled "SPOUSES TIMOTEO PIÑEDA, ET. AL. vs. DEVELOPMENT BANK OF THE PHILIPPINES" which affirmed the decision of the Regional Trial Court (RTC), Branch 16[2] , Roxas City in Civil Case No. V-4590, for cancellation of certificate of title and/or specific performance, accounting and damages with a prayer for the issuance of a writ of preliminary injunction.

The records show that respondent spouses Piñeda (PIÑEDAS) are the registered owners of a parcel of land (Lot 11-14-1-14) situated at barangay Astorga Dumarao, Capiz containing an area of 238,406 square meters, more or less, and covered by Homestead Patent No. 0844 and Original Certificate of Title No. P-1930. On March 7, 1972, the PIÑEDAS mortgaged the above described parcel of land to petitioner, Development Bank of the Philippines (DBP) to secure their agricultural loan in the amount of P20,000.00. The PIÑEDAS failed to comply with the terms and conditions of the mortgage compelling DBP to extrajudicially foreclose on February 2, 1977. In the foreclosure sale, DBP was the highest bidder and a Sheriff Certificate of Sale was executed in its favor. In the corresponding Certificate of Sale, the sheriff indicated that "This property is sold subject to the redemption within five (5) years from the date of registration of this instrument and in the manner provided for by law applicable to this case". The certificate of sale was registered in the Register of Deeds of Capiz on April 25, 1977. On March 10, 1978, after the expiration of the one-year redemption period provided for under Section 6, ACT 3135, DBP consolidated its title over the foreclosed property by executing an Affidavit of Consolidation of Ownership. Subsequently, a Final Deed of Sale was executed in DBP's favor, which was registered together with the Affidavit of Consolidation of Ownership with the Register of Deeds of Capiz on May 30, 1978. Consequently, Original Certificate of Title No. P-1930 was cancelled and TCT No. T-15559 was issued in the name of DBP. Thereafter, DBP took possession of the foreclosed property and appropriated the produce thereof.

On July 5, 1978, the Ministry of Justice issued Opinion No. 92, Series of 1978[3] which declared that lands covered by P.D. No. 27[4] , like the herein subject property, may not be the object of foreclosure proceedings after the promulgation of said decree on Oct. 21, 1972.

On August 24, 1981, the PIÑEDAS offered to redeem the foreclosed property by offering P10,000.00 as partial redemption payment. This amount was accepted by DBP who issued O.R. No. 1665719 and through a letter, conditionally approved the offer of redemption considering the P10,000.00 as down payment.[5] However, on November 11, 1981, DBP sent the PIÑEDAS another letter informing them that pursuant to P.D. 27, their offer to redeem and/or repurchase the subject property could not be favorably considered for the reason that said property

was tenanted.[6] On November 16, 1981, in deference to the above-mentioned opinion, DBP through Ramon Buenaflor sent a letter to the Acting Register of Deeds of Capiz requesting the latter to cancel TCT No. T-15559 and to restore Original Certificate of Title No. P-1930 in the name of the PIÑEDAS. The Acting Register of Deeds, in reply to such request, suggested that DBP file a petition in court pursuant to Section 108 of Presidential Decree 1529[7] . In compliance with said suggestion, DBP petitioned for the cancellation of TCT No. T-15559 with then Court of First Instance of Capiz, Branch II, docketed as Special Case No. 2653. The petition was favorably acted upon on February 22, 1982. Thus, the foreclosure proceeding conducted on February 2, 1977 was declared null and void and the Register of Deeds of Capiz was ordered to cancel TCT No. 15559; OCT No. 1930 was ordered revived.

Meanwhile, on December 21, 1981, the PIÑEDAS filed the instant complaint against DBP for cancellation of certificate of title and/or specific performance, accounting and damages with a prayer for the issuance of a writ of preliminary injunction averring that DBP, in evident bad faith, caused the consolidation of its title to the parcel of land in question in spite of the fact that the 5-year redemption period expressly stated in the Sheriff's Certificate of Sale had not yet lapsed and that their offer to redeem the foreclosed property was made well within said period of redemption.[8]

After trial, the RTC ruled in favor of the PIÑEDAS stating that DBP violated the stipulation in the Sheriff's Certificate of Sale which provided that the redemption period is five (5) years from the registration thereof in consonance with Section 119[9] of CA No. 141[10] . DBP should therefore assume liability for the fruits that said property produced from said land considering that it prematurely took possession thereof. The dispositive portion of the decision reads:

> "WHEREFORE, judgment is hereby rendered in favor of plaintiffs and against the defendant Development Bank of the Philippines as follows:
>
> 1. Condemning the defendant DBP to pay the plaintiffs P201,138.28 less whatever amount the plaintiffs still have to pay the said defendant DBP as balance of their loan account reckoned up to the date of this decision; P20,000.00 as attorney's fees; P5,000.00 as litigation expenses and costs.
>
> **SO ORDERED."[11]**

DBP appealed to the Court of Appeals, which affirmed the decision of the RTC. The Court of Appeals stated that since DBP was in evident bad faith when it unlawfully took possession of the property subject of the dispute and defied what was written on the Sheriff's Certificate of Sale, the PIÑEDAS were entitled to recover the fruits produced by the property or its equivalent valued at P72,000.00 per annum or a total of P216,000.00 for the three-year period. Respondent court stated that said amount was not rebutted by DBP and was fair considering the size of the land in question. The court added that any discussion with respect to the redemption period was of little significance since the foreclosure proceeding was declared null and void in Special Civil Case No. 2653[12] on February 22, 1982. Thus, the right of the PIÑEDAS to redeem the property has become moot and academic. Finally, the award of attorney's fees amounting to P10,000.00[13] was justified considering that the PIÑEDAS were compelled to protect their interests.[14]

DBP's Motion for Reconsideration[15] was denied; hence this petition where it assigns the following errors:

> "Ground No. 1 – The Honorable Court Of Appeals Gravely Erred In Affirming The Court A Quo's Decision Awarding Actual Damages In The Amount Of P216,000.00 In Favor Of The Private Respondents Notwithstanding The Absence Of Evidence Substantiating Said Award. Thus, The Honorable Court Of Appeals Had Decided This Instant Case In A Way Not In Accord With Applicable Law And Jurisprudence.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

> 2. Ground No. 2 - The Honorable Court Of Appeals Gravely Erred In Affirming The Court A Quo's Finding That DBP Was In Bad Faith When It Took Possession Of The Property In Question Notwithstanding the Contrary Evidence Adduced By Petitioner DBP. Thus, The Honorable Court Of Appeals Departed From The Accepted And Usual Course of Judicial Proceedings.
>
> 3. Ground No. 3 - The Honorable Court Of Appeals Gravely Erred In Affirming The Court A Quo's Decision Awarding Attorney's Fees And Litigation Costs In Favor Of The Private Respondents Notwithstanding Absence Of Evidence Proving the Same. Clearly, The Lower Court Committed Misapprehension Of Facts That Can Be Considered A Question Of Law."[16]

DBP maintains that the valuation of the income derived from the property in dispute allegedly amounting to P216,000.00 was not proven by the PIÑEDAS. DBP argues that they granted the PIÑEDAS a loan of P20,000.00 in March 7, 1972 and up to the time of the foreclosure of the property, the PIÑEDAS have paid only P2,000.00 on their principal. The failure of the PIÑEDAS to pay this loan is attributable to the fact that said property did not produce income amounting to P72,000.00 per annum. According to DBP, in the absence of receipts or other evidence to support such a claim, the Court of Appeals should not have granted said amount considering that the PIÑEDAS had the burden of proving actual damages. Furthermore, Selfida Piñeda herself admitted that the property never produced income amounting to P72,000.00 per annum. At any rate, the actual amount earned by the property in terms of rentals turned over by the tenant-farmers or caretakers of the land were duly receipted and were duly accounted for by the DBP.

DBP also alleges that the mere fact that DBP took possession and administration of the property does not warrant a finding that DBP was in bad faith. First, records show that the PIÑEDAS consented to and approved the takeover of DBP. Second, Sec. 7[17] of Act No. 3135[18] allows the mortgagee-buyer to take possession of the mortgaged property even during the redemption period. Third, DBP's act of consolidating the title of the property in its name does not constitute bad faith as there is no law which prohibits the purchaser at public auction from consolidating title in its name after the expiration of the one (1) year redemption period reckoned from the time the Certificate of Sale was registered; and neither is there any law or jurisprudence which prohibits the PIÑEDAS from exercising their right of redemption over said property within five (5) years even if title is consolidated in the name of the purchaser. When DBP consolidated title over the property in its name, the new TCT issued in its favor was subject to the lien i.e. the right of redemption of the PIÑEDAS; if there was a failure to register this in the TCT, DBP should not be faulted. Besides, even if the five (5) year period of redemption was not indicated therein, Sec. 44[19] and 46[20] of Presidential Decree No. 1529[21] attaches such lien by operation of law even in the absence of an annotation in the title. Moreover, Sec. 119 of CA No. 141 also makes said right of redemption a statutory lien, which subsists and binds the whole world despite the absence of registration.

DBP also could not have been in bad faith when it denied the PIÑEDAS' offer to redeem the property since the denial was premised on Opinion No. 92 of the Minister of Justice series of 1978 which stated that said land was covered under P.D. 27 and could not be the subject of foreclosure proceedings. For this reason, DBP immediately filed a petition to nullify the foreclosure proceedings which was favorably acted upon prior to the service of summons and the complaint in the present case on DBP on June 30,1982. If DBP was really in bad faith, it would not have filed said petition for said petition was against its own interests.

Further, DBP asserts that PIÑEDAS appointed DBP as their attorney-in-fact or agent in case of foreclosure of the property under Section 4 of the mortgage contract, which provides:

> "4. xxx In case of foreclosure, the Mortgagor hereby consents to the appointment of the mortgagee or any of its employees as receiver, without any bond, to take charge of the mortgage property at once, and to hold possession of the case and the rents and profits derived from the mortgaged property before the sale. xxx"[22]

DBP was therefore entitled to take possession of the property pursuant to the mortgage contract.

Finally, considering that DBP lawfully had material possession of the property after it consolidated its title, DBP was entitled to the fruits and income thereof pursuant to Section 34, Rule 39 of the Rules of Court:

> "Sec. 34. Rents and Profits Pending Redemption. Statement thereof and credit therefor on redemption. – The purchaser, from the time of the sale until a redemption, and a redemptioner, from the time of his redemption until another redemption, is entitled to receive the rents of the property sold or the value of the use or occupation thereof when such property is in the possession of a tenant. xxx"

Taking all this into consideration, DBP cannot be faulted for taking over possession of the property in question.

The core issue in this case is whether DBP was in bad faith when it took possession of the disputed lot.

We rule in the negative and find DBP's contentions meritorious.

A possessor in good faith is one who is not aware that there exists in his title or mode of acquisition any flaw, which invalidates it.[23] Good faith is always presumed, and upon him who alleges bad faith on the part of a possessor rests the burden of proof.[24] It was therefore incumbent on the PIÑEDAS to prove that DBP was aware of the flaw in its title i.e. the nullity of the foreclosure. This, they failed to do.

Respondent PIÑEDAS argue that DBP's bad faith stems from the fact that DBP consolidated title over the disputed property despite the statement in the Sheriff's Certificate of Sale to the effect that said land was subject to a five year redemption period. The period of redemption of extrajudicially foreclosed land is provided under Section 6 of ACT No. 3135 to wit:

> "Sec. 6. In all cases in which an extrajudicial sale is made under the special power hereinbefore referred to, the debtor, his successors in interest or any judicial creditor or judgment creditor of said debtor, or any person having a lien on the property subsequent to the mortgage or deed of trust under which the property is sold, may redeem the same at any time within the term of one year from and after the date of sale; and such redemption shall be governed by the provisions of section four hundred and sixty-four to four hundred and sixty-six, inclusive, of the Code of Civil Procedure[25] , in so far as these are not inconsistent with the provisions of this Act."

If no redemption is made within one year, the purchaser is entitled as a matter of right to consolidate[26] and to possess[27] the property.[28] Accordingly, DBP's act of consolidating its title and taking possession of the subject property after the expiration of the period of redemption was in accordance with law. Moreover, it was in consonance with Section 4 of the mortgage contract between DBP and the PIÑEDAS where they agreed to the appointment of DBP as receiver to take charge and to hold possession of the mortgage property in case of foreclosure. DBP's acts cannot therefore be tainted with bad faith.

The right of DBP to consolidate its title and take possession of the subject property is not affected by the PIÑEDAS' right to repurchase said property within five years from the date of conveyance granted by Section 119 of CA No. 141. In fact, without the act of DBP consolidating title in its name, the PIÑEDAS would not be able to assert their right to repurchase granted under the aforementioned section. Respondent PIÑEDAS are of the erroneous belief that said section prohibits a purchaser of homestead land in a foreclosure sale from consolidating his title over said property after the one-year period to redeem said property has expired. Section 119 does not contain any prohibition to convey homestead land but grants the homesteader, his widow or legal heirs a right to repurchase said land within a period of five years in the event that he conveys said land. This is in consonance with the policy of homestead laws to distribute disposable agricultural lands of the State to land-destitute citizens for their home and cultivation.[29] The right to repurchase under Section 119 aims to preserve and keep in the

family of the homesteader that portion of public land which the State had gratuitously given him.[30] Such right is based on the assumption that the person under obligation to reconvey the property has the full title to the property because it was voluntarily conveyed to him or that he consolidated his title thereto by reason of a redemptioner's failure to exercise his right of redemption.[31] It is also settled that "the five-year period of redemption fixed in Section 119 of the Public Land Law of homestead sold at extrajudicial foreclosure begins to run from the day after the expiration of the one-year period of repurchase allowed in an extrajudicial foreclosure".[32] Thus DBP's consolidation of title did not derogate from or impair the right of the PIÑEDAS to redeem the same under C.A. No. 141.

It may be argued that P.D. 27 was already in effect when DBP foreclosed the property. However, the legal propriety of the foreclosure of the land was put into question only after Opinion No. 92 series of 1978 of the Ministry of Justice declared that said land was covered by P.D. 27 and could not be subject to foreclosure proceedings. The Opinion of the Ministry of Justice was issued on July 5, 1978 or almost two months after DBP consolidated its title to the property on March 10, 1978. By law and jurisprudence, a mistake upon a doubtful or difficult question of law may properly be the basis of good faith.[33]

In the case of Maneclang vs. Baun,[34] we held that when a contract of sale is void, the possessor is entitled to keep the fruits during the period for which it held the property in good faith. Good faith of the possessor ceases when an action to recover possession of the property is filed against him and he is served summons therefore.[35] In the present case, DBP was served summons on June 30, 1982.[36] By that time, it was no longer in possession of the disputed land as possession thereof was given back to the PIÑEDAS after the foreclosure of DBP was declared null and void on February 22, 1982. Therefore, any income collected by DBP after it consolidated its title and took possession of the property on May 30, 1978 up to February 22, 1982 belongs to DBP as a possessor in good faith since its possession was never legally interrupted.

Finally, we delete the award for attorney's fees. Although attorney's fees may be awarded if the claimant is compelled to litigate with third persons or to incur expenses to protect his interest by reason of an unjustified act or omission of the party from whom it is sought[37] , we hold that DBP's acts were clearly not unjustified.

WHEREFORE, the instant petition is hereby GRANTED, and the appealed decision of the Court of Appeals is REVERSED. The Development Bank of the Philippines is absolved from any liability to Timoteo and Selfida Piñeda in so far as it orders the DBP to pay the PIÑEDAS P216,000.00 as annual produce value of the land; P20,000.00 in attorney's fees, P5,000.00 in litigation expenses and the costs of the suit. This decision is without prejudice to whatever liability the PIÑEDAS may still have to the DBP with respect to their loan.

SO ORDERED.

Melo, (Acting Chief Justice) Vitug, Panganiban, and Purisma, JJ., concur.

---

[1] Tenth Division composed of the ponente, J. Regina G. Ordoñez-Benitez; and the members J. Arturo B. Buena (Chairman) and J. Eduardo G. Montenegro concurring.

[2] Penned by Judge Manuel E. Autajay.

[3] "OPINION NO. 92, s. 1978

> 3rd Indorsement
>
> July 5, 1978

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

Respectfully returned to the Minister, Ministry of Agrarian Reform, Diliman, Quezon City, his within request for opinion regarding landholdings covered by P.D. No. 27, which have been previously mortgaged to banking institutions, specifically on the following questions:

a.) Whether or not lands covered by P.D. No. 27 may be the object of foreclosure proceedings after October 21, 1972;

b.) Whether or not the right of a landowner to receive payment from the Land Bank may be the object of foreclosure proceedings.

I find merit in the position taken by the Ministry that lands covered by P.D. No. 27 may not be the object of foreclosure proceedings after promulgation of said decree on October 21, 1972. With the peremptory declaration that the tenant farmer "shall be deemed owner" of the land he tills, and the declaration that lands acquired thereunder or under the land reform program of the government "shall not be transferable except by hereditary succession or to the government in accordance with the provisions of the Decree, the Code of Agrarian Reform, and other existing laws and regulations", I believe that whatever right the mortgager has to the property is superseded by the statutory declaration transferring ownership from the mortgagor to the tenant by operation of law. Foreclosure of mortgage is a remedy by which the property covered may be subject to sale to pay the debt for which the mortgage stands as security, and since the land is by law no longer transferable except to the heirs of the tenant-farmer or to the government, I do not see how the right to foreclose can subsist when the mortgaged property has ceased to be alienable property of the mortgagor, and the property cannot be transferred to the purchaser in the foreclosure proceedings. The situation is analogous to one where the mortgaged property is expropriated before foreclosure takes place, regarding which it has been held that the mortgagee loses his lien upon the expropriated property as "the land taken no longer belongs to the mortgagor, because it has been by virtue of a sovereign power, free of the mortgage", (Chicago v. Salinger, et al. 52 NE 2d-184 [1943]; see also In Re Diliman, 267 NW-623 [1936]; In Re City of Rochester, 32 NE 702 [1892]

This conclusion finds support in the provision of Section 80 of R.A. No. 3844 (Code of Agrarian Reform, as amended by P.D. No. 251), which provides insofar as pertinent:

"SEC. 80. Modes of Payment. The Bank shall finance the acquisition of farm lots under any of the following modes of settlement:

xxx xxx xxx

"In the event there is existing lien or encumbrance on the land in favor of any Government lending institution at the time of acquisition by the Bank, the landowner shall be paid the net value of the land (i.e., the value of the land determined under Presidential Decree No. 27 minus the outstanding balance/s of the obligation/s secured by the lien/s of encumbrance/s, and the outstanding balance/s of the obligations to the lending institution/s shall be paid by the Land Bank in the Land Bank bonds or other securities; existing charters of those institutions to the contrary notwithstanding. A similar settlement may be negotiated by the Land Bank in the case of obligations secured by liens or encumbrances in favor of private parties or institutions.

xxx xxx xxx

The Land Bank is thus charged with the obligation to settle, or negotiate the settlement of, the obligations secure by the mortgage, lien or encumbrance whether the lender is a government or a private lending institution. This assumes that the might of the mortgagor to enforce his lien through foreclosure proceedings against the property no longer subsists. I may add that with respect to cases where the mortgage might by now (but after October 21, 1972) have already been foreclosed, the titles of the purchaser at the auction sale having actually been perfected after the redemption period had expired, the foreclosure might have to be set aside through judicial proceedings.

I am aware that a ruling that lands covered by P.D. No. 27 may not be the object of the foreclosure proceedings

after the promulgation of said decree on October 21, 1972, would concede that P.D. No. 27 had the effect of impairing the obligation of the duly executed mortgage contracts affecting said lands. There is no question, however, that the land reform program of the government as accelerated under P.D. No. 27 and mandated by the Constitution itself (Act XIV, Sec. 12), was undertaken in the exercise of the police power of the state. It is settled in a long line of decisions of the Supreme Court that the constitutional guaranty of non-impairment of obligations of contract is limited by the exercise of the police power of the state. [Pangasinan Transp. v. P.S.C. 70 Phil. 221 (1940); Phil. American Life Ins. Co. v. The Auditor General 22 SCRA, 135 (1968); De Ramos v. Court of Agrarian Relations, I-19555, May 29, 1964; Stone v. Mississippi, 101 U.S. 814] One limitation on the contract clause arises from the police power, the reason being that public welfare is superior to private rights. [Since, Phil. Pol. Law, 11th ed. at p. 642]. The situation here is like that in eminent domain proceedings, where the state expropriates private property for public use, and the only condition to be complied with is the payment of just compensation. Technically the condemnation proceedings do not impair the contract on destroy its obligations, but merely appropriate of take it for public use [Long Is. Water Sup. Co. v. Brooklyn, 166 U.S. 635]. As the Land Bank is obliged to setter the obligations secured by the mortgage, the mortgagee is not left without compensation.

The first query is therefore answered in the negative.

Regarding query No. 1, I do not see how foreclosure proceedings can be instituted against the "right of the landowner to receive payment from the Land Bank". As the mortgage had ceased to exist upon the transfer of title to the tenant by virtue of the promulgation of P.D. No. 27 on October 21, 1972, there can be no mortgage to foreclose and therefore no subject for the foreclosure proceedings. Whatever equitable interest the mortgagee has in the land owners' right to receive payment is protected under Section 80, above-quoted, directing the Land Bank to settle existing liens and encumbrances affecting the property.

Please be guided accordingly.

It might be useful to note that the above view is shared by the land Bank of the Philippines, as expressed in the proceeding Indorsement of the President of said bank.

(SGD.) VICENTE ABAD SANTOS

Minister of Justice."

[4] "DECREEING THE EMANCIPATION OF TENANT'S FROM THE BONDAGE OF THE SOIL, TRANSFERRING TO THEM THE OWNERSHIP OF THE LAND THEY TILL AND PROVIDING THE INSTRUMENTS AND MECHANISMS THEREFOR."

[5] Record, pp. 13-14.

[6] Record, p. 15.

[7] "Sec. 108. Amendement and alteration of certificates. – No erasure, alteration, or amendment shall be made upon the registration book after the entry of a certificate of title or of a memorandum thereon and the attestation of the same by Register of Deeds, except by order of the proper Court of First Instance. xxx"

[8] Decision of the Court of Appeals, pp. 1-3; Rollo, pp. 8-10.

[9] "Sec. 119. Every conveyance of land acquired under the free patent or homestead provisions, when proper, shall be subject to repurchase by the applicant, his widow, or legal heirs, within a period of five years from the date of the conveyance."

[10] "PUBLIC LAND ACT".

[11] Decision of the Regional Trial Court, p. 9; Rollo, p. 95.

[12] Penned by Judge Oscar Leviste.

[13] Should be P10,000.00 as ruled by the lower court.

[14] Decision of the Court of Appeals, p. 6; Rollo, p. 13.

[15] Rollo, p. 17.

[16] Petitioner's Memorandum, pp. 13, 19, and 27 respectively; Rollo, pp. 179, 185 and 193 respectively.

[17] "Sec. 7. In any sale made under the provisions of this Act, the purchaser may petition the Court of First Instance of the province or the place where the property or any part thereof is situated, to give him possession thereof during the redemption period, furnishing bond in an amount equivalent to the use of the property for a period of twelve months, to indemnify the debtor in case it be shown that the sale was made without violating the mortgage or without complying with the requirements of this Act. xxx"

[18] "AN ACT TO REGULATE THE SALE OF PROPERTY UNDER SPECIAL POWERS INSERTED IN OR ANNEXED TO REAL-ESTATE MORTGAGES."

[19] "Sec. 44 – Statutory liens affecting title. – Every registered owner receiving a certificate of title in pursuance of a decree of registration, and every subsequent purchaser of the registered land taking a certificate of title for value and in good faith, shall hold the same free from all encumbrances except those noted in the certificate and any of the following encumbrances which may be subsisting, namely:

> First, Liens, claims or rights arising or existing under the laws and Constitution of the Philippines which are not required by law to appear to be valid against subsequent purchasers or encumbrances of record. xxx"

[20] "Sec. 46 – General incidents of registered land. – Registered land shall be subject to such burdens and incidents as may arise by operation of law. xxx"

[21] "AMENDING AND CODIFYING THE LAWS RELATIVE TO THE REGISTRATION OF PROPERTY AND FOR OTHER PURPOSES."

[22] Record, p. 473.

[23] Article 526, Civil Code.

[24] Article 527, Civil Code.

[25] Now 27, 28 and 32 Rule 39, Rules of Court; Previously § 29, 30 and 34, Rule 39, Rules of Court.

[26] Tarnate vs. Court of Appeals, 241 SCRA 254 at 260 [1995] .

[27] Javelosa vs. Court of Appeals, 265 SCRA 493 at 503 [1997].

[28] 33, Rule 39 of the Rules of Court.

[29] Pascua vs. Talens, 80 PHIL. 792 at pp. 793-794 [1948].

[30] Ibid.

[31] Rural Bank of Davao City vs. Court of Appeals, 217 SCRA 554 at p. 568 [1993].

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

[32] Belisario vs. Intermediate Appellate Court, 165 SCRA 101 at 107 [1988].

[33] Article 526, Civil Code.

[34] 208 SCRA 179 [1992] .

[35] Ibid., at pp. 195-196.

[36] Record, p. 48.

[37] Philippine National Bank vs. Court of Appeals, 256 SCRA 44 at pp. 50-51[1996].

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.