

**EULOGIO RODRIGUEZ, SR., PLAINTIFF AND APPELLANT, VS.
SOFRONIO FRANCISCO, AS ADMINISTRATOR OF THE ESTATE OF
MAXIMO FRANCISCO, DEFENDANT AND APPELLEE.**

G.R. No. 13343, December 29, 1962

Ponente: MAKALINTAL, J.

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MAKALINTAL, J.:

Plaintiff filed this action in the Court of First Instance of Rizal for judicial declaration of ownership, recovery of possession, and damages. The facts are set forth in the decision of that court, dated September 15, 1956, as follows:

"It appears that Exequiel Ampil, now deceased, was the registered owner of the land in question under Original Certificate of Title No. 2497 issued way back on May 25, 1918, Exhibit B-1. On March 24, 1924 Exequiel Ampil executed a deed of sale covering the land in favor of defendant Maximo Francisco for the sum of P1,500, Exhibit 4. Sometime thereafter, the defendant took possession of the premises which, upon his death, was continued by his heirs up to the present, publicly and in the concept of owner. The land taxes thereon since 1924 was religiously, paid by Maximo Francisco up to 1955 (see Exhibits 5, 5-2 to p for 1924-1948). Despite the sale, the Torrens title continued until 1937 in the name of the vendor Exequiel Ampil. At the trial, defendant presented the owner's duplicate, Exhibit 1, of Original Certificate of Title No. 2497 which was delivered to defendant by Ampil.

"Prior to October 21, 1933, Exequiel Ampil was indebted to various creditors, to wit: (1) China Banking Corporation—P11,995.00, (2) Philippine National Bank—P9,000.00; (3) Don Wenceslao Trinidad—P10,000.00, total—P31,395.00. The payment of this indebtedness was guaranteed by the plaintiff Eulogio Rodriguez, Sr., on the date Exequiel Ampil executed a document entitled "Venta Condicional", Exhibit D-1. The deed was duly registered in the Office of the Register of Deeds on November 15, 1933 (see Exhibit 1, memoranda of encumbrances). This deed conveyed the land together with someother parcels to plaintiff by a conditional sale, the conveyance to be absolute upon the fulfillment of certain conditions specified therein.

"On February 9, 1934, as Exequiel Ampil made payment amounting to P15,181.67, plaintiff executed "Release of Part of the Conditionally Sold Premises", Exhibit 2, Therein, the real properties covered by Certificates, of Title Nos. 8756, 8670, 2673 and 8672 which were embraced in the "Venta Condicional" were released. As to the other parcels conditionally sold, among which was the land covered by Original Certificate of Title No. 2497 it was provided in Exhibit 2 that they were to be held and retained by the plaintiff as security for the money remaining due on the conditional sale.

"On December 10, 1936, plaintiff filed an affidavit consolidating ownership over the land In question together with five other parcels by virtue of the fact that the conditional sale of October 21, 1933 between him and Ampil had become absolute (Exhibits C and C-1). However, as the Owner's Duplicate Certificate of Title was unavailable, a petition was filed in the original registration proceedings. Case No. 106, G.L.R.O. Rec. No. 13181, of the Court of First Instance of Rizal for the issuance of a new owner's duplicate and after due notice and hearing the Court ordered that the lost certificate be cancelled and a new one issued to the owner (see

Exhibit B-1, memo of encumbrances). Then, on February 12, 1937 by virtue of the affidavit of consolidation, the Register of Deeds of Rizal cancelled Original Certificate of Title No. 2497 and issued to plaintiff Transfer Certificate of Title No. 31204, Exhibit A-1."

Upon the foregoing facts the trial court adjudged plaintiff the rightful owner of the disputed land and ordered defendant to deliver its possession to him, but found defendant to be a possessor in good faith and hence free from liability for damages. Both parties appealed from the decision: plaintiff to the Court of Appeals on this last finding in favor of defendant; and the latter directly to this Court on the issue of ownership (G. R. No. L-12039). By resolution dated November 19, 1957 upon motion of plaintiff, as appellee, this Court agreed to take cognizance of both appeals. That taken by plaintiff was accordingly forwarded here, docketed under G. R. No. L-13343 and is now the subject of this decision.

G. R. No. L-12039, wherein defendant was the appellant, was decided by us on June 30, 1961. The judgment appealed from was affirmed in so far as it declared plaintiff the owner, and therefore entitled to the possession, of the land in question.

In the present appeal by plaintiff the only error assigned by him refers to the conclusion of the court below that Maximo Francisco (and now herein defendant as administrator of his estate after his death on June 20, 1950) was a possessor in good faith. Although at first blush the issue may seem to be one of fact, it is in reality one of law, involving as it does the correctness of that conclusion in the light of the facts found by the said court, which are not seriously disputed. Appellant draws the inference of bad faith in the possession of appellee from the following circumstances: (1) that the description of the land in the deed of sale executed by Exequiel Ampil in favor of Maximo Francisco in 1924 (Exhibit 4) does only tally with the description in the vendor's certificate of title No. 2497; (2), that Maximo Francisco never registered the sale in the office of the Register of Deeds of Rizal thereafter; and (3) that when appellant consolidated in himself the ownership of the land in 1926 he had to obtain previous order from the court in the original registration case for the issuance of a new owner's duplicate certificate of title, after notice to interested parties, notwithstanding which appellee did not appear to assert his rights to the land.

All the foregoing circumstances, in our opinion, did not necessarily make appellee a possessor in bad faith. The first circumstance cited is of no material importance, because as found by the lower court and later on by this Court itself on appeal in G. R. No. L-12039, the land sold by virtue of Exhibit 4 is the same one covered by TCT 2497. And the non-registration of the sale did not make the vendee one in bad faith. With particular reference to the last circumstance stated, it has not been shown that Maximo Francisco was notified or had actual knowledge of the said proceeding for consolidation of ownership in appellant. Francisco was then and for a long time had been in possession of the land, and there can be no question that for purposes of such possession the deed of sale marked Exhibit 4 was a good and sufficient title. It was acquired without any flaw which would invalidate it. The possession having begun in good faith the presumption is that it continued to be enjoyed in the same character until it could be proven that the possessor was not unaware that his possession was wrongful (Article 528 and 529, Civil Code). It appears that in spite of the consolidation of ownership in appellant and the issuance of a transfer certificate of title in his name in 1937, he never attempted to exercise possessory rights over the property or paid taxes thereon, nor did he demand its possession from appellee until the complaint in this case was filed in January 20, 1949.

However, we agree with appellant's alternative contention that on the date of the service of summons upon appellee in this case, considering that the former was thereafter declared owner by final judgment (G. R. No. L-12039), appellee's possession in good faith was interrupted and hence from that time he lost the right to the fruits.[*] In the case of *Tacas vs. Tobon*, 53 Phil., 356, 361, this Court, citing *Manresa* (Vol. 4, pp. 270, 271),

stated:

"But to every possessor in good faith there comes a time when he is considered a possessor in bad faith. When the owner or possessor with a better right comes along, when he becomes aware that what he had taken for granted is at least doubtful, and when he learns the grounds in support of the adverse contention, good faith ceases. The possessor may still believe that his right is more secure, because we resign ourselves with difficulty to the sight of our vanishing hopes; but when the final judgment of the court deprives him of the possession, all illusion necessarily disappears. Although he may not have been convinced of it before, the possessor becomes aware that his possession is unlawful from the time he learns of the complaint, from the time he is summoned to the trial. It is at this time that his possession is interrupted according to article 1945, and that he ceases to receive the fruits, according to the first paragraph of article 451. The ruling of the court retroacts to that time; but shall in good faith be deemed to cease then. Although there is a great difference between requiring the possessor in good faith to return the fruits he received from the time when his possession was legally interrupted, and considering him a possessor in bad faith for all legal purposes from that time, the law had to establish a definite rule in the matter, which is none other than that deducible from a combination of articles 452, 1945, and 435. Whether or not the defendant be a possessor in good faith, for there is no doubt that he can be, and the law makes no attempt to deny it, from the service of judicial summons there exists an act that this possessor knows that his right is not secure, that someone disputes it, and that he may yet lose it; and if the court holds that restitution be made, that time determines all the legal consequences of the interruption, the time when the possession in good faith ceased to be so before the law."

Maximo Francisco died on June 20, 1950. Damages up to that time should be claimed against his estate in the administration proceeding, if still feasible (Sec. 5, Rule 87). Damages accruing after his death are not debts left by him and hence recoverable by ordinary action, such as the one before us. Considering, however, that there is no evidence as to when the cultivation of the land started and when it was finished in the year 1950, appellee should be held liable for damages, consisting of the fruits of the land in question, only from the year 1951. The undisputed evidence shows that the owner's share of the fruits consist of 25 cavans of palay a year, valued at P800 per cavan, or P200.00 yearly.

The judgment appealed from is modified in the sense that defendant-appellee, as administrator of the estate of the deceased Maximo Francisco, is ordered to pay, plaintiff-appellant the sum of P200.00 yearly, starting from 1951 until the restoration of the possession of the land to said appellant pursuant to the judgment in civil case No. 12039, with interest at the legal rate, plus costs.

Bengzon, C. J., Padilla, Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Barrera, Paredes, Dizon, and Regala, JJ., concur.

* Art. 544. A possessor in good faith is entitled to the fruits received before the possession is legally interrupted. (Civil Code)

Art. 1123. Civil interruption is produced by judicial summons to the possessor. (Civil Code)

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