

REPUBLIC OF THE PHILIPPINES (REPRESENTED BY THE LAND REGISTRATION COMMISSIONER), PETITIONER, VS. WILSON P. ORFINADA, SR. AND LUCRESIA K. ORFINADA, RESPONDENTS.

G.R. No. 141145. November 12, 2004

Ponente: SANDOVAL-GUTIERREZ, J.

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SANDOVAL-GUTIERREZ, J.:

Before us is the instant petition for review on certiorari under Rule 45 of the 1997 Rules of Civil Procedure, as amended, assailing the Joint Decision[1] dated December 13, 1999 rendered by the Court of Appeals in CA-G.R. CV No. 32815, “Republic of the Philippines (represented by the Land Registration Commissioner) vs. Wilson P. Orfinada, Sr., Lucrecia K. Orfinada and the Register of Deeds of Pasay City,” and CA-G.R. CV No. 35230, ISIA vs. Enrique Factor and Pilar Development Corporation.”

On May 8, 1985, the Republic of the Philippines, petitioner, represented by the Land Registration Commissioner, filed with the Regional Trial Court (RTC), Branch 113, Pasay City, a complaint for annulment of title, docketed as Civil Case No. 2846-P. Impleaded as defendants were spouses Wilson and Lucrecia Orfinada, respondents, and the Register of Deeds of Pasay City.

The complaint alleges that Transfer Certificate of Title (T.C.T.) No. 38910-A issued by the Register of Deeds of Pasig, Rizal, now Pasig City, on September 18, 1956, in the names of respondents, is spurious as shown by the following:

- Respondents obtained T.C.T. No. 38910 by making it appear that it originated from Original Certificate of Title (O.C.T.) No. 383 in the name of Guillermo Cruz. However, O.C.T. No. 383 was actually issued and registered in the name of Paulino Cruz. This O.C.T. was pursuant to Free Patent No. 38910 issued by the Governor General of the Philippine Islands on March 17, 1932 covering a parcel of land described in Plan F-44878 situated in Barrio Sampaloc, Tanay, Rizal, with an area of 22.8387 hectares.

- On “its face,” T.C.T. No. 38910-A in respondents’ names was derived from O.C.T. No. 383 registered in the name of Guillermo Cruz. This O.C.T. was based on a Free Patent granted by the President of the Philippines on May 12, 1935. The land covered by this Free Patent is located at Barrio Tanay, Almanza, Las Piñas, Rizal, (now Las Piñas City) consisting of 22.1688 hectares. But this Free Patent was issued by the President of the Philippines on May 12, 1935 under Commonwealth Act (C.A.), No. 141, otherwise known as the Public Land Act. This Act took effect only on November 7, 1936. Hence, no Free Patent could have been issued by the President prior to such date, specifically on May 12, 1935.

In their answer, respondents claimed that they purchased their land from Guillermo Cruz on June 7, 1955. The corresponding Deed of Sale was duly registered in the Registry of Deeds of Pasig, Rizal and annotated at the back of O.C.T. No. 383 in the name of Guillermo Cruz. This O.C.T. was cancelled and in lieu thereof, T.C.T. No. 38910-A was issued in their names.

Contrary to petitioner's allegations, the Free Patent granted by the President of the Philippines in favor of Guillermo Cruz was issued on May 12, 1937, not May 12, 1935. This Free Patent covers a parcel of land described in Plan F-48390 consisting of 21.1688 hectares situated in Barrio Almanza, Las Piñas, Rizal (now Las Piñas City). On the basis of this Free Patent, O.C.T. No. 383 was issued to Guillermo Cruz on August 22, 1937. On the same day, this title was registered in the Registration Book of the Registry of Deeds of Pasig, Rizal, appearing on p. 84, Volume I-A.

Both O.C. T. No. 383 in the name of Guillermo Cruz and its derivative title - T.C.T. No. 38910-A, in the names of respondents, are intact and in the files of the Registry of Deeds of Pasig. Due to the decentralization of this Office, T.C.T. No. 38910-A was one of those transferred to the Registry of Deeds of Pasay City which was given a new number – T.C.T. No. 13674-A, and then to the Registry of Deeds of Las Piñas. Eventually, or on May 19, 1981, they (respondents) sold the land to the Insurance Savings and Investment Agency (ISIA).

Meantime, ISIA, being the new owner of the same parcel of land, filed with the RTC of Makati, Branch 143, a complaint for recovery of the subject property against Enrique Factor and Pilar Development Corporation, docketed as Civil Case No. 2262. In due course, the RTC rendered a Decision dated February 23, 1989 in favor of ISIA, ordering the defendants to vacate the land. The defendants then interposed an appeal to the Court of Appeals, docketed as CA-G.R. CV No. 35230.

Going back to Civil Case No. 2846-P filed by the petitioner against respondents, on January 25, 1991, the RTC of Pasay City, Branch 113, rendered its Decision dismissing the complaint, "there being no competent evidence" to prove the allegations therein. In disposing of the case, the trial court held:

"Deliberating on the evidence as completely and clearly narrated/illustrated above, it is overwhelmingly indisputable and certain that Transfer Certificate of Title No. (38910-A) 13674-A of the Registry of Deeds of Las Piñas (Exh. DD; Exh. 27) in the name of Wilson P. Orfinada, Sr., married to Lucrecia K. Orfinada was duly issued on September 18, 1956, the same being a direct transfer from Original Certificate of Title No. 383 (Exh. 65; Exh. K) in the name of Guillermo Cruz, pursuant to a Free Patent issued by the President of the Philippines on May 12, 1937. The aforesaid Transfer Certificate of Title was transferred to the Register of Deeds of Pasay from the Register of Deeds of Pasig, Rizal, then from Pasay City to Las Piñas. (Exh. 27).

"It is no less significant to mention that the defendants were in possession of the property for twenty-nine (29) years already at the time when this complaint for annulment of title was filed on May 8, 1985. The possession can be characterized as continuous, actual, public and adverse possession as established with competent evidence testimonial and documentary. Undeniably, twenty-nine (29) years of possession is more than the requirement for acquiring land under the possessory information (See Republic vs. C.A., 161 SCRA 368). The required number of years is only twenty (20) years.

"With precision and clarity, the land in question is registered under the Torrens System. Under this system title of the defendants is made binding against the whole world, including the government, (NGA vs. I.A.C., 157 SCRA 380) as soon as the deed of transfer shall have been presented and registered in the office of the Register of Deeds. Importantly, the principle is that it is the act of registration that operates to transfer the title to the land. And to facilitate registration under this system, the government provides to the owner a Torrens Certificate of Title which is submitted for cancellation when the property is transferred to another person who will then be entitled to the issuance of the new Torrens Title.

x x x

"Evidently, the Deed of Absolute Sale (Exh. 2-Orfinada) executed by Guillermo Cruz in favor of Wilson F. Orfinada, was duly registered with the Register of Deeds of Pasig, Rizal, wherein it was annotated at the back of Original Certificate of Title 383 in the name of Guillermo Cruz (Exh. K; Exh. 65), and said OCT was

cancelled and in lieu thereof the Pasig Register of Deeds issued Transfer Certificate of Title No. 38910-A in the name of Wilson P. Orfinada on September 18, 1956 (Exh. M).

“Jurisprudentially, the main purpose of the Torrens System is to avoid conflicts of title in and to real estate, and to facilitate transactions relative thereto by giving the public the right to rely upon the fact of a Torrens Certificate of Title and to dispense with the need of inquiring further except when the party concerned has actual knowledge of facts and circumstances that should impel a reasonably cautious man to make such further inquiry (Capitol Subdivision, Inc. vs. Province of Negros Occidental, 7 SCRA 60; Pascua vs. Copuyoc, 77 SCRA 78).

Clear enough, from the culled evidence the defendants just purchased the property in question when the same was offered to them without inquiring further and firmly relied upon the fact of the Original Certificate of Title in the name of Guillermo Cruz (Exh. K; Exh. 65) and after the perfection of the sale in favor of the defendants that deed of sale was registered with the Registry of Deeds of Pasig, Rizal and the corresponding Transfer Certificate of Title No. 38910-A (Exh. M) was issued in the name of the defendants. Rightfully, they being innocent purchasers in good faith and for value, the posture of these defendants would certainly prevail for it was tersely said by the Honorable Supreme Court in the case of Fule vs. Lagare, 7 SCRA 351:

‘A purchaser in good faith is one who buys property of another without notice, that some other person has a right to, or interest in such property and pays a full and fair price for the same, at the time of such purchase, or before he has notice of the claim or interest of some other persons in the property.’

“The assertion of plaintiff that the land in question lies in Sampaloc, Tanay, Rizal has not been established with competent evidence. The fact remains that the land lies in Bo. Almanza, Las Piñas and actually in the possession of defendants. The plaintiff was so dependent on the LRA Verification Committee (Exh. A) – giving a conclusion that the title of Wilson P. Orfinada is fake and spurious. To the mind of the Court, said report is tenuous, uncorroborated and unsubstantiated.

“Between the Deed of Absolute Sale (Exh. 2) and the verification report (Exh. A) which the plaintiff was firmly dependent in its cause of action, the former has to be sustained. The reason being that ‘a notarial document is evidence of the facts in clear unequivocal manner therein expressed. It has in its favor the presumption of regularity. To contradict all these, there must be evidence that is clear, convincing and more than merely preponderant.’ (Ytuirralde vs. Aganon, 28 SCRA 407; Cabrera vs. Villanueva, 160 SCRA 672; Dy vs. Sacay, 165 SCRA 473). And anent the title of the defendants, TCT No. (38910-A) 13674-A, to assert that it is fake and spurious it has to be supported by strong and compelling evidence that it is so. In reliance to the case of Legaspi vs. C.A., the Honorable Supreme Court said: ‘The evidentiary nature of public document must be sustained in the absence of strong, complete and conclusive proof of its falsity or nullity.’

“Finally, ‘the annulment of a registration under the Torrens System should be made with the utmost caution, to maintain the integrity of titles secured thereunder.’ (Cabrera vs. C.A., 163 SCRA 214).”

Petitioner Republic appealed from the above Decision to the Court of Appeals, docketed as CA-G.R. CV No. 32815.

Later, upon motion of ISIA, the Appellate Court ordered the consolidation of CA-G.R. CV No. 35330 (filed by ISIA) and CA-G.R. CV No. 32815 (filed by petitioner).

On December 13, 1999, the Court of Appeals promulgated the assailed Joint Decision affirming in toto the Decisions of the RTC of Makati, Branch 143 in Civil Case No. 2262 and RTC of Pasay City, Branch 113 in Civil Case No. 2846-P, thus:

“WHEREFORE, PREMISES CONSIDERED,

1) The decision of the Regional Trial Court of Makati, Branch 143, in Civil Case No. 2262 dated February 23, 1989 is hereby AFFIRMED in toto. Costs against appellant.

2) The decision of the Regional Trial Court of Pasay City, Branch 113, in Civil Case No. 2846-P dated January 25, 1991 dismissing plaintiff-appellant's complaint is likewise AFFIRMED in toto. No costs.

SO ORDERED."

Petitioner, in the instant petition, ascribes to the Court of Appeals the following errors:

"1. The Court of Appeals grossly erred and acted under a misapprehension of facts in ruling that the title of the Orfinadas is valid.

2. The Court of Appeals likewise erred when it did not consider that the Torrens System is not a means of acquiring lands but merely a system for registration of title."

In their comment, respondents contend that factual findings of the Court of Appeals are binding on this Court. Considering that the issues raised in the petition are factual, this Court may no longer review the assailed Joint Decision.

Obviously, petitioner here, in its first assigned error, is raising factual issues. Time and again, we had occasion to rule that only questions of law may be raised in a petition for review on certiorari filed with this Court. Moreover, factual findings of the trial courts, when adopted and confirmed by the Court of Appeals, are final and conclusive on this Court,[2] but there are exceptions.

In *Go vs. Court of Appeals*,[3] we held that:

"[I]n *Reyes v. Court of Appeals*, this Court held that factual findings of the trial court, when adopted and confirmed by the Court of Appeals, are final and conclusive and may not be reviewed on appeal; except: (1) when the inference made is manifestly mistaken, absurd or impossible; (2) when there is a grave abuse of discretion; (3) when the finding is grounded entirely on speculations, surmises or conjectures; (4) when the judgment of the Court of Appeals is based on misapprehension of facts; (5) when the findings of fact are conflicting; (6) when the Court of Appeals, in making its findings, went beyond the issues of the case and the same are contrary to the admissions of both appellant and appellee; (7) when the findings of the Court of Appeals are contrary to those of the trial court; (8) when the findings of fact are conclusions without citation of specific evidence on which they are based; (9) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties and which, if properly considered, would justify a different conclusion; and (10) when the findings of fact of the Court of Appeals are premised on the absence of evidence and are contradicted by the evidence on record."

Petitioner, in filing this petition, is invoking one of the exceptions mentioned above, i.e., when the judgment of the Court of Appeals is based on misapprehension of facts. We, therefore, opt to evaluate the evidence of both parties on the basis of the old and cold records before us.

The basic issue for our resolution is whether petitioner has proved by preponderance of evidence that T.C.T. No. 38910-A in the names of respondents is spurious.

"In civil cases, the party having the burden of proof must establish his case by a preponderance of evidence. 'Preponderance of evidence' is the weight, credit, and value of the aggregate evidence on either side and is usually considered to be synonymous with the term 'greater weight of the evidence' or 'greater weight of the credible evidence.' Preponderance of evidence is a phrase which, in the last analysis, means probability of the truth. It is evidence which is more convincing to the court as worthy of belief than that which is offered in opposition thereto. Section 1, Rule 133 of the Revised Rules of Court provides the guidelines in determining

preponderance of evidence, thus:

“In civil cases, the party having the burden of proof must establish his case by a preponderance of evidence. In determining where the preponderance or superior weight of evidence on the issues involved lies, the court may consider all the facts and circumstances of the case, the witnesses’ manner of testifying, their intelligence, their means and opportunity of knowing the facts to which they are testifying, the nature of the facts to which they testify, the probability or improbability of their testimony, their interest or want of interest, and also their personal credibility so far as the same legitimately appear upon the trial. The court may also consider the number of witnesses, though the preponderance is not necessarily with the greater number.”[4]

Evidence for petitioner shows that on October 21, 1981, the Director of the Bureau of Lands (now Land Management Bureau) wrote the Administrator of the Land Registration Commission (now Land Registration Authority) pointing to the dubiousness of T.C.T. No. 38910-A in the names of respondents. The Land Registration Commission then formed a Committee to conduct an investigation.

Thereafter, the Committee submitted to the Director of Lands its Verification Report and Supplementary Report which disclose the following:

In his letters dated October 9 and November 15, 1981, pursuant to the directive of the Committee, Atty. Ramon Manalastas, then Acting Register of Deeds of Pasig, informed the said Committee that O.C.T. No. 383 in the name of Paulino Cruz “is no longer available.” However, his office has in its files a “certified copy” of Free Patent No. 13409 in the name of Paulino Cruz issued by Governor General Theodore Roosevelt on March 17, 1932 covering a parcel of land in Barrio Sampaloc, Tanay, Rizal, with an area of “22 hectares.” Pursuant to this Free Patent, O.C.T. No. 383 was issued in the name of Paulino Cruz by the same Registry of Deeds. T.C.T. No. 38910 derived therefrom is in the name of Marina Cruz Vda. De San Jose, not in the names of respondents.

On the basis of Atty. Manalastas’ letters, the Committee concluded that T.C.T. No. 38910-A could not have been issued in the names of respondents and, therefore, the same is “manufactured and spurious.”

The Committee compared the data appearing on Free Patent No. 13409 in the name of Paulino Cruz with those of T.C.T. No. 38910-A in respondents’ names (derived from O.C.T. No. 383 in the name of Guillermo Cruz) and found that Free Patent No. 13409 was issued by Governor General Theodore Roosevelt on March 17, 1932. It embraces a parcel of land in Barrio Sampaloc, Tanay, Rizal. Whereas, the Free Patent on the basis of which O.C.T. No. 383 was issued in the name of Guillermo Cruz (from which T.C.T. No. 38910-A originated), was granted on May 12, 1935 by the President pursuant to C.A. 141 (Public Land Act), which law was not yet enacted at that time. It took effect only on November 7, 1936.

The Committee Reports further state that, “We therefore presume that the description of the land covered by O.C.T. No. 383 should be the same as what appears on Free Patent No. 13409 in the name of Paulino Cruz.”

Petitioner, in contending that T.C.T. No. 38910-A in the names of respondents is a nullity asserts that (a) the latter derived their title fraudulently from O.C.T. No. 383 in the name of Paulino Cruz, based on Free Patent No. 13409; and (b) that O.C.T. No. 383 in the name of their predecessor-in-interest, Guillermo Cruz, is not authentic since the Free Patent on which it was based could not have been issued on May 12, 1935 considering that the governing law, C.A. 141 (Public Land Act), took effect only on November 7, 1936.

Evidence for respondents shows that Atty. Modesto Jimenez, their attorney-in-fact, was able to secure a certified true copy of O.C.T. No. 383 in the name of Guillermo Cruz from the Registry of Deeds of Pasig. He paid the corresponding fee under O.R. No. 9614248.[5]

One time, he went to the same Registry of Deeds to ask for the cancellation of the entry of a mortgage contract an

encumbrance appearing at the back page of the original copy of T.C.T. No. 38910-A in the names of respondents. He came to know that the original copy of the title was transferred by the Registry of Deeds of Pasig to the Registry of Deeds of Pasay City. So he proceeded there and upon his request, Atty. Victoriano Torres, the Register of Deeds of Pasay City, had the entry of encumbrance canceled. Atty. Jimenez also learned that the original copy of T.C.T. No. 38910-A was given a new title number by the said Register of Deeds which is T.C.T. No. 13674-A.[6] Then Atty. Jimenez, being authorized by respondents, had the land re-surveyed and sold the same to the Insurance Savings and Investment Agency (ISIA).

ISIA found that a portion of the area was occupied by Pilar Development and Enrique Factor. This prompted ISIA to file with the RTC of Pasay City a complaint for recovery of property against them. The case was docketed as Civil Case No. 2262. Later, this case was transferred to the RTC, Branch 143 at Makati. During the hearing, Rolando Golla, an employee of the Registry of Deeds of Pasig, testified that in obedience to the order of the trial court, he brought the following:

- 1) Original copy of O.C.T. No. 383 in the name of Guillermo Cruz; and
- 2) Xerox copy of the certified true copy of the same O.C.T.[7]

After considering the evidence presented by both parties, we agree with the Court of Appeals and the trial court that petitioner's complaint must be dismissed for its failure to prove its allegations by preponderance of evidence, specifically that T.C.T. No. 38910-A in the names of respondents is spurious.

Let it be stressed that respondents Wilson and Lucrecia Orfinada purchased the property from Guillermo Cruz as early as June 7, 1955, as shown by the Deed of Absolute Sale[8] duly registered in the Registry of Deeds of Pasig. However, it was only on October 21, 1981, or after 26 years, that the Director of Lands came to realize that respondents' land title, T.C.T. No. 38910-A, now 13674-A, is spurious. What prompted the Director of Lands, after such length of time, to conclude that this title is not genuine? Records are silent on this point.

II

Petitioner maintains that T.C.T. No. 38910-A is spurious just because it was derived from O.C.T. No. 383. Petitioner insists that there is only one O.C.T. No. 383 and it is in the name of Paulino Cruz, not Guillermo Cruz. But Atty. Ramon Manalastas, then Acting Register of Deeds of Pasig, a witness for petitioner, admitted that O.C.T. No. 383 in the name of Paulino Cruz "is no longer available."

Considering that O.C.T. No. 383 in the name of Paulino Cruz no longer exists, petitioner, in maintaining that T.C.T. No. 38910-A originated therefrom, relies on a "certified copy" of Free Patent No. 13409 in the name of Paulino Cruz. According to petitioner, this Free Patent was the basis for the issuance of O.C.T. No. 383 to Paulino Cruz. Such assertion does not persuade us considering that per admission of petitioner itself, O.C.T. No. 383 in the name of Paulino Cruz, is not in the files of the Registry of Deeds of Pasig. Indeed, the Committee Reports state that the investigators merely "presume that the description of the land covered by O.C.T. No. 383 (in the name of Paulino Cruz) should be the same as what appears on Free Patent No. 13409." This means that while Free Patent No. 13409 was granted by the Governor General on March 17, 1932, it does not follow that the corresponding O.C.T. was actually issued to Paulino Cruz and registered in his name.

There being no O.C.T. No. 383 in the name of Paulino Cruz as admitted by petitioner, its allegations that respondents secured their title through fraud and misrepresentation by making it appear that it originated from such O.C.T. No. 383 must fail. Even assuming that O.C.T. No. 383 was issued to Paulino Cruz on the basis of Free Patent No. 13409, still we cannot conclude that respondents committed fraud in obtaining their title. The land covered by Free Patent No. 13409 is in Barrio Sampaloc, Tanay, Rizal, while the property embraced by the Free

Patent of Guillermo Cruz is in Barrio Almanza, Las Piñas.

In contending that the respondents' title is void, petitioner also points out that the Free Patent on which it was based is defective. As earlier mentioned, petitioner claims that this Free Patent was issued by the President of the Philippines on May 12, 1935, pursuant to C.A. No. 141 (Public Land Act). But this Act took effect only on November 7, 1936 or prior to May 12, 1935. Hence, no Free Patent could have been issued on that date.

Significantly, respondents presented to the trial court the original copy of T.C.T. No. 38910-A, now in the custody of the Registry of Deeds of Las Piñas. Inscribed on this title is the following:

"It is further certified that said land was originally registered on the 22nd day of August in the year nineteen hundred and thirty-seven, in Registration Book No. 1-4, page 84, of the Office of Register of Deeds of Rizal, as Original Certificate of Title No. 383, pursuant to a free patent granted by the President of the Philippines, on the 12[th] day of May, the year nineteen hundred and thirty seven, under Act No. 141." [9]

From the above statement, it can easily be discerned that it was on May 12, 1937, not in 1935, when the President issued to Guillermo Cruz his Free Patent, pursuant to C.A. 141 (Public Land Act). After three (3) months or on August 22, 1937, the Registry of Deeds of Rizal issued to him O.C.T. No. 383.

There is sufficient evidence to show that this O.C.T. No. 383 in the name of Guillermo Cruz exists. Atty. Jimenez testified that he was able to obtain a certified true copy of the said title from the Registry of Deeds of Pasig. Likewise, Rolando Golla, an employee of the same Registry of Deeds presented to the trial court the original copy of O.C.T. No. 383 in the name of Guillermo Cruz. Petitioner failed to dispute this evidence.

Still, petitioner would not rest in claiming that T.C.T. No. 38910-A is a nullity. It invites our attention that T.C.T. No. 38910, derived from O.C.T. No. 383 in the name of Paulino Cruz, was issued and registered in the name of one Marina Cruz Vda. de San Jose, not in the names of respondents. Suffice it to state that the land covered by Marina's title is in Barrio San Roque, Tanay, Rizal. Respondents' property is in Barrio Almanza, Las Piñas, Rizal.

Even assuming that there was a defect in O.C.T. No. 383 in the name of Guillermo Cruz, respondents being buyers in good faith have acquired rights over the property. Consequently, we cannot disregard such rights and order the cancellation of the certificate of title. The Court of Appeals held:

"When Wilson Orfinada and Guillermo Cruz entered into a Contract of Deed of Absolute Sale (Folder of Exhibits, p. 85), what was required from Orfinada was merely to look at OCT 383 in the name of Guillermo Cruz. He need not go beyond what he saw on the face of the title. x x x.

x x x

A careful review of the records indicates that the Deed of Absolute Sale (Exh. 2-Orfinada, p. 85) executed by Guillermo Cruz in favor of Wilson P. Orfinada, was duly registered with the Register of Deeds of Pasig, Rizal, wherein it was annotated at the back of Original Certificate of Title No. 383 in the name of Guillermo Cruz (Exh. 65, p. 145) and said OCT was cancelled and in lieu thereof, the Pasig Register of Deeds issued, on September 18, 1956, Transfer Certificate of Title No. 38910-A in the name of Wilson Orfinada.

Consequently, plaintiff-appellant is implying that defendant is not a buyer in good faith. The reliance is misplaced. What is clear from the record is that when Wilson Orfinada purchased the property in question on September 18, 1956 (Exh. M, p. 27), the same was offered to him. He did not inquire further and firmly relied on the face of the original certificate of title in the name of Guillermo Cruz (Exh. 65, p. 145). He had no knowledge whatsoever of any irregularity of the title. As far as Orfinada is concerned, the OCT 383 shown to him was free from any flaw or defect that could give rise to any iota of evidence that it is fake and spurious."

In *Legarda vs. Court of Appeals*,^[10] we sustained the buyer's right to rely on the correctness of the certificate of title, thus:

“If a person purchases a piece of land on the assurance that the seller's title thereto is valid, she should not run the risk of being told later that her acquisition was ineffectual after all. If we were to void a sale of property covered by a clean and unencumbered torrens title, public confidence in the Torrens System would be eroded and land transactions would have to be attended by complicated and inconclusive investigations and uncertain proof of ownership. The consequence would be that land conflicts could proliferate and become more abrasive, if not even violent.”

Indeed, a Torrens title is generally conclusive evidence of ownership of the land referred to therein, and a strong presumption exists that a Torrens title was regularly issued and valid. A Torrens title is incontrovertible against any information possessoria, of other title existing prior to the issuance thereof not annotated on the Torrens title. Moreover, persons dealing with property covered by a Torrens certificate of title are not required to go beyond what appears on its face.^[11]

Similarly, in *Heirs of Spouses Benito Gavino and Juana Euste vs. Court of Appeals*,^[12] we held:

“x x x, the general rule that the direct result of a previous void contract cannot be valid, is inapplicable in this case as it will directly contravene the Torrens system of registration. Where innocent third persons, relying on the correctness of the certificate of title thus issued, acquire rights over the property, the court cannot disregard such rights and order the cancellation of the certificate. The effect of such outright cancellation will be to impair public confidence in the certificate of title. The sanctity of the Torrens system must be preserved; otherwise, everyone dealing with the property registered under the system will have to inquire in every instance as to whether the title had been regularly or irregularly issued, contrary to the evident purpose of the law. Every person dealing with the registered land may safely rely on the correctness of the certificate of title issued therefore and the law will in no way oblige him to go behind the certificate to determine the condition of the property.”

On petitioner's second assigned error, suffice it to state that the Court of Appeals did not say that the Torrens System is a means of acquiring lands.

WHEREFORE, the petition is DENIED. The assailed Joint Decision dated December 13, 1999 of the Court of Appeals in CA-G.R. CV No. 32815 is hereby AFFIRMED.

No costs.

SO ORDERED.

Panganiban, (Chairman), Carpio-Morales, and Garcia, JJ., concur.
Corona, J., on leave.

[1] Penned by Justice Mercedes Gozo-Dadole and concurred in by Justice Eubolo G. Verzola and Justice Artemio G. Tuquero (retired).

[2] *Prudential Bank of the Philippines vs. Court of Appeals*, G.R. No. 115324, February 19, 2003, 397 SCRA 651.

[3] G.R. No. 112550, February 5, 2001, 351 SCRA 145, citing *Reyes vs. Court of Appeals*, 258 SCRA 651 (1996).

[4] *Go vs. Court of Appeals*, G.R. No. 112550, February 5, 2001, citing *Reyes vs. Court of Appeals*, 258 SCRA 651 (1996).

[5] Exhibit “12-A,” Folder of Exhibits.

[6] Exhibit “4,” Id.; TSN dated August 23, 1990 at 3-4.

[7] TSN dated September 6, 1990 at 14-22.

[8] Folder of Exhibits, at 85.

[9] “Exhibit “DD,” Folder of Exhibits at 76.

[10] G.R. No. 94457, October 16, 1997, 280 SCRA 642, 679, citing *Tenio-Obsequio vs. Court of Appeals*, 230 SCRA 550, 557 (1994) and *Republic vs. Umali*, 171 SCRA 647 (1989).

[11] *Orquiola vs. Court of Appeals*, G.R. No. 141463, August 6, 2002, 386 SCRA 301, 308.

[12] G.R. No. 120154, June 29, 1998, 291 SCRA 495, 509, citing *Peña, Peña and Peña*, *Registration of Land Titles and Deeds*, 1988 Rev. Ed., p. 143, citing Sec. 39, Act 496.

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