

RODOLFO SANTOS, PETITIONER, VS. RONALD C. MANALILI AS HEIR OR REPRESENTATIVE OF DECEASED DEFENDANTS NOLI BELEN C. MANALILI AND REYNALDO MANALILI & BOARD OF LIQUIDATORS, RESPONDE...*G.R. No. 157812. November 22, 2005*

Ponente: GARCIA, J.

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Thru this petition for review on certiorari, petitioner Rodolfo Santos seeks the reversal of the Decision[1] dated July 24, 2002 of the Court of Appeals (CA) in CA-G.R. CV No. 46890, affirming the September 20, 1993 decision of the Regional Trial Court at Davao City, Branch 14, which dismissed petitioner's complaint for Reconveyance, Damages, Attorney's Fees and/or Annulment of Title against the herein public and private respondents.

At the core of the controversy is a 4,608 square-meter parcel of land which originally formed part of the "Furukawa Plantation" owned by a Japanese national and situated in the District of Toril, Davao City. After the war, the land was turned over to the Philippine government and administered by the National Abaca and Other Fibers Corporation, and thereafter by the respondent Board of Liquidators (BOL).

On August 6, 1970, Reynaldo Manalili, predecessor-in-interest of respondent Ronald C. Manalili, filed with the BOL an application to purchase the subject property, attaching therewith his Occupant's Affidavit. The application was favorably acted upon and on March 27, 1972, the BOL required Manalili to pay the downpayment of 10% of the purchase price or P1,865.28. Thereafter, Manalili declared the land for taxation purposes.

On March 25, 1981, after the lapse of nine (9) years and even as the BOL had already issued a Certification of Full Payment endorsing the approval of the sale of the land in question to applicant Reynaldo Manalili, herein petitioner Rodolfo Santos wrote an undated letter to the BOL protesting Manalili's application. On account thereof, Land Examiner Ildefonso S. Carrillo issued a Memorandum addressed to the BOL Senior Executive Assistant, recommending a formal investigation.

On October 7, 1981, the BOL's Alien Property Unit came out with a report that petitioner "was not actually occupying the lot and that he only hired certain Abalahin and Lumaad to plant bananas and coconut trees and maintain a vegetable garden thereon presumably to establish a bona-fide occupancy over the lot", and accordingly recommended the dismissal of petitioner's protest and the approval of the sale to Manalili.

Meanwhile, Manalili, thru counsel, made known to the barrio captain of the place of petitioner's illegal entry into the premises.

On December 16, 1981, following Manalili's compliance with other requirements, the BOL issued to him the corresponding Deed of Absolute Sale which was duly approved by the Office of the President on December 21, 1981. And, on January 6, 1982, upon request of the BOL, the Register of Deeds, Davao City, issued TCT 86414

covering the land in question in the name of Manalili.

On April 26, 1982, petitioner filed the aforementioned complaint for Reconveyance, Damages, Attorney's Fees and/or Annulment of Title against the BOL and the Manalilis.

Initially, the trial court dismissed the complaint on grounds of lack of jurisdiction and non-exhaustion of administrative remedies. However, on petitioner's appeal to the then Intermediate Appellate Court (IAC), the latter reversed the trial court's order of dismissal and remanded the case to it for trial. Upon further elevation, this Court affirmed the IAC.

After the remand and trial of the case, the trial court rendered its September 20, 1993 decision in favor of the Manalilis. Dispositively, the decision reads:

IN VIEW OF THE FOREGOING, judgment is hereby rendered against the plaintiff [petitioner], dismissing his Complaint and ordering him to immediately vacate the land in question which is covered by T.C.T. No. T-86414, deliver the possession thereof to the private defendants, as substituted, pay the private defendants TWENTY THOUSAND PESOS (P20,000.00) as damages and another amount of TEN THOUSAND PESOS (P10,000.00) as attorney's fees and the costs of suit.[2]

Therefrom, petitioner went on appeal to the Court of Appeals (CA), thereat docketed as CA-G.R. CV No. 46890 .

In the herein challenged Decision[3] dated July 24, 2002, the appellate court dismissed petitioner's appeal and affirmed the appealed decision of the trial court, thus:

WHEREFORE, upon the premises, then (sic) instant appeal is DISMISSED and the Decision appealed from is AFFIRMED.

SO ORDERED.

In time, petitioner moved for a reconsideration but his motion was denied by the appellate court in its resolution of March 3, 2003.[4]

Hence, petitioner's present recourse, faulting the appellate court, as follows:

I

THE COURT A QUO ERRED IN UPHOLDING THAT RESPONDENT MANALILI HAS THE BETTER RIGHT OF POSSESSION OVER THE LOT IN QUESTION.

II

THE COURT A QUO ERRED IN DECLARING THAT THE SALE OF THE LOT TO THE RESPONDENT WAS NOT FRAUDULENT AND THAT THE PETITIONER'S PROTEST WAS DULY INVESTIGATED.

We DENY.

In its assailed decision of July 24, 2002, supra, the Court of Appeals upheld the findings of the chief of the Alien Property Unit, BOL, that petitioner's protest was unfounded and was only meant to disturb the sale of the subject land to respondent Manalili. To the appellate court, the BOL's findings were duly supported by evidence, as in fact the sale of the land to Manalili was approved by no less than the Office of the President.

Presently, petitioner submits that he has clearly established a better right of possession over the subject property. Per his testimony and those of his two (2) witnesses, namely Ernesto Abalahin and Corenelio Mundan, petitioner belabored to show that the land in dispute was originally occupied by one Col. Agsalud in 1956 up to 1959, the latter being given preference as a guerilla veteran. Later, Col. Agsalud transferred his rights in favor of one

Ernesto Abalahin who continuously occupied the land and from whom petitioner acquired the property sometime in February 1969, after which he himself introduced various improvements thereon and continuously occupied the same up to the present.

Petitioner insists that sometime in 1981, he came to learn that the land was surreptitiously applied for and was already awarded by BOL to Manalili, whereupon he immediately filed a protest which triggered an investigation by a BOL land examiner who submitted a report dated September 1981 to the effect that he (petitioner) is the actual occupant thereof and introduced considerable improvements thereon, as against respondent Manalili who was never in possession, occupation and cultivation of the same.

We are not persuaded.

The two (2) courts below, in unanimously upholding the validity of the sale of the land in question to the Manalilis, likewise affirmed the BOL's finding that the Manalilis had a better right of possession thereto. Preponderant evidence of respondent have sufficiently established that as early as 1970, Reynaldo Manalili, respondents' predecessor-in-interest, had already filed an Affidavit of Occupancy with the BOL, the government agency tasked to administer it; that the Manalilis administered the land before they left for Manila in 1972; that after they moved to Manila they appointed an administrator to oversee the land and the improvements and crops they have planted thereon, such as bananas and coconut trees; and that the Manalilis have been paying the real estate taxes for the subject land even before the sale thereof to them.

The circumstance that after the sale, the Manalilis resided in Manila and Pangasinan is of no moment. As it is, possession may be exercised in one's own name or in that of another.[5] It is not necessary that the owner or holder of the thing exercise personally the rights of possession. Rights of possession may be exercised through agents.[6]

In contrast, petitioner's claim of having bought the land from a certain Ernesto Abalahin who, in turn, bought it from one Col. Agsalud, allegedly a guerrilla veteran who occupied the lot from 1956 to 1959, is without basis. For one, no proof has been presented by petitioner as to the alleged title of Col. Agsalud or the transfer of any rights from the latter to Ernesto Abalahin, petitioner's alleged immediate transferor. For another, the supposed Deed of Absolute Sale between petitioner and Ernesto Abalahin does not even sufficiently identify the lot which was the subject of the sale. Worse, that same deed is not notarized and is unregistered. A sale of a piece of land appearing in a private deed cannot be considered binding on third persons if it is not embodied in a public instrument and recorded in the Registry of Deeds.[7] Verily, it was only in 1981 that Abalahin entered the subject land without permission, and that in 1982, petitioner, together with Abalahin and one Lumaad, illegally cut trees on the land, thereby prompting the Manalilis to report their unlawful entry to the local barrio captain.

True, there is petitioner's claim that the BOL's sale of the land to Reynaldo Manalili was fraudulent. Basic it is in the law of evidence, however, that mere assertion of an alleged fact is not enough. It behooves petitioner to substantiate his claim by credible evidence, of which there is none, more so, because the law[8] presumes BOL to have acted regularly in recommending the sale of the disputed land to Manalili and the Office of the President, in approving the sale.

As it is, petitioner's evidence do not support his allegation of fraud. It is a matter of record that petitioner's protest, filed nine (9) years after Reynaldo Manalili filed his application with attached occupant's affidavit, and after the BOL had already issued a Certification of Final Payment in Manalili's favor, was duly investigated by the BOL, after which it recommended the sale of the land to Manalili, which recommendation was formally acted upon by the Office of the President which ultimately approved the Deed of Sale for Manalili. It is well-settled that fraud must be established by clear and convincing evidence.[9] Petitioner failed in this venture.

To cap it all, it is a settled rule in this jurisdiction that factual findings of an administrative agency deserve utmost respect, more so, when, as here, they are supported by substantial evidence, albeit such evidence may not be overwhelming or merely preponderant. By reason of their special knowledge and expertise on matters falling under their jurisdiction, administrative agencies are in a better position to pass judgment thereon, and their findings of fact relative thereto are generally accorded great respect, if not finality, by the courts.[10] It is not the task of this Court to weigh once more the evidence submitted before administrative bodies and to substitute its own for that of the latter.

In fine, we rule and so hold that no reversible error was committed by the Court of Appeals in affirming the decision of the trial court upholding the validity of the sale of the disputed property to the Manalilis.

WHEREFORE, the petition is DENIED and the assailed Decision of the Court of Appeals AFFIRMED.

Costs against petitioner.

SO ORDERED.

Panganiban, (Chairman), Sandoval-Gutierrez, Corona, and Carpio-Morales, JJ., concur.

[1] Penned by Associate Justice Portia Aliño-Hormachuelos with Associate Justices Elvi John S. Asuncion and Edgardo F. Sundiam, concurring; Rollo, pp. 29-42.

[2] See footnote No. 1.

[3] Rollo pp 29-42.

[4] Rollo, pp. 44, 44-A.

[5] Art. 524, Civil Code.

[6] Alo vs Rocamora, 6 Phil 197, as cited in Commentaries and Jurisprudence on the Civil Code, Arturo M. Tolentino, Volume Two, 1983.

[7] Secuya vs Vda. de Selma,, 326 SCRA 244.[2000]

[8] RULE 131, SECTION 3. DISPUTABLE PRESUMPTIONS – The following presumptions are satisfactory if uncontradicted, but may be contradicted and overcome by other evidence:

xxx xxx xxx

(m) That official duty has been regularly performed;

(n) That a court, or judge acting as such, whether in the Philippines or elsewhere, was acting in the lawful exercise of jurisdiction.

(o) That all the matters within an issue raised in a case were laid before the court and passed upon by it; xxx.

[9] Maestrado vs. CA, 327 SCRA 678 [2000].

[10] Vicente Villlaflor vs. Court of Appeals and Nasipit Lumber Co., Inc., 280 SCRA 297 [1997].

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