

**PHIL-VILLE DEVELOPMENT AND HOUSING CORPORATION,
PETITIONER, VS. MAXIMO BONIFACIO, CEFERINO R. BONIFACIO,
APOLONIO B. TAN, BENITA B. CAINA, CRISPINA B. PASCUAL,
ROSALIA B. DE GRA...**

G.R. No. 167391. June 08, 2011

Ponente: VILLARAMA, JR., J.

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VILLARAMA, JR., J.:

This petition for review on certiorari[1] seeks to set aside the Decision[2] dated January 31, 2005 and Resolution [3] dated March 15, 2005 of the Court of Appeals in CA-G.R. SP No. 62211. The Court of Appeals dismissed the Complaint[4] for Quieting of Title and Damages filed by Phil-Ville Development and Housing Corporation (Phil-Ville) and denied its Motion for Reconsideration.[5]

The factual antecedents, as culled from the records, are as follows.

Phil-Ville Development and Housing Corporation is the registered owner of three parcels of land designated as Lots 1-G-1, 1-G-2 and 1-G-3 of the subdivision plan Psd-1-13-006209, located in Caloocan City, having a total area of 8,694 square meters and covered by Transfer Certificates of Title (TCT) Nos. 270921,[6] 270922[7] and 270923.[8] Prior to their subdivision, the lots were collectively designated as Lot 1-G of the subdivision plan Psd-2731 registered in the name of Phil-Ville under TCT No. T-148220.[9] Said parcels of land form part of Lot 23-A of the Maysilo Estate originally covered by Original Certificate of Title (OCT) No. 994[10] registered on May 3, 1917 in the name of Isabel Gil de Sola as the judicial administratrix of the estate of Gonzalo Tuason and thirty-one (31) others. Phil-Ville acquired the lots by purchase from N. Dela Merced and Sons, Inc. on July 24, 1984.

Earlier, on September 27, 1961, a group composed of Eleuteria Rivera, Bartolome P. Rivera, Josefa R. Aquino, Gregorio R. Aquino, Pelagia R. Angeles, Modesta R. Angeles, Venancio R. Angeles, Felipe R. Angeles Fidela R. Angeles and Rosauro R. Aquino, claiming to be the heirs of Maria de la Concepcion Vidal, a co-owner to the extent of 1-189/1000% of the properties covered by OCT Nos. 982, 983, 984, 985 and 994 of the Hacienda Maysilo, filed a petition with the Court of First Instance (CFI) of Rizal in Land Registration Case No. 4557. They prayed for the substitution of their names on OCT No. 994 in place of Maria de la Concepcion Vidal. Said petition was granted by the CFI in an Order [11] dated May 25, 1962.

Afterwards, the alleged heirs of Maria de la Concepcion Vidal filed a petition for the partition of the properties covered by OCT Nos. 982, 983, 984, 985 and 994. The case was docketed as Civil Case No. C-424 in the CFI of Rizal, Branch 12, Caloocan City. On December 29, 1965, the CFI granted the petition and appointed three commissioners to determine the most equitable division of the properties. [12] Said commissioners, however, failed to submit a recommendation.

Thirty-one (31) years later, on May 22, 1996, Eleuteria Rivera filed a Supplemental Motion[13] in Civil Case No.

C-424, for the partition and segregation of portions of the properties covered by OCT No. 994. The Regional Trial Court (RTC), Branch 120, of Caloocan City, through Judge Jaime D. Discaya, to whom the case was transferred, granted said motion. In an Order[14] dated September 9, 1996, Judge Discaya directed the segregation of portions of Lots 23, 28-A-1 and 28-A-2 and ordered the Register of Deeds of Caloocan City to issue to Eleuteria Rivera new certificates of title over them. Three days later, the Register of Deeds of Caloocan, Yolanda O. Alfonso, issued to Eleuteria Rivera TCT No. C-314537[15] covering a portion of Lot 23 with an area of 14,391.54 square meters. On December 12, 1996, the trial court issued another Order directing the acting Branch Clerk to issue a Certificate of Finality of the Order dated September 9, 1996.

Thereafter, one Rosauro R. Aquino filed a petition for certiorari contesting said Order of December 12, 1996 and impugning the partial partition and adjudication to Eleuteria Rivera of Lots 23, 28-A-1 and 28-A-2 of the Maysilo Estate. The case was docketed as CA-G.R. SP No. 43034 at the Court of Appeals.

Meanwhile, a writ of possession[16] was issued in Eleuteria Rivera's favor on December 26, 1996 upon the Order[17] of Judge Discaya issued on the same date. Accordingly, Sheriff Cesar L. Cruz served a Notice to Vacate[18] dated January 2, 1997 upon Phil-Ville, requiring it to vacate Lots 23-A and 28. Bonifacio Shopping Center, Inc., which occupied Lot 28-A-2, was also served a copy of the notice. Aggrieved, Bonifacio Shopping Center, Inc. filed a petition for certiorari and prohibition, docketed as CA-G.R. SP No. 43009, before the Court of Appeals. In a Decision[19] dated February 19, 1997, the appellate court set aside and declared as void the Order and Writ of Possession dated December 26, 1996 and the Notice to Vacate dated January 2, 1997. The appellate court explained that a party who has not been impleaded in a case cannot be bound by a writ of possession issued in connection therewith.

Subsequently, on February 22, 1997, Eleuteria Rivera Vda. de Bonifacio died at the age of 96.[20]

On April 23, 1997, the Secretary of Justice issued Department Order No. 137 creating a special committee to investigate the circumstances surrounding the issuance of OCT No. 994 and its derivative titles.

On April 29, 1997, the Court of Appeals rendered a Decision[21] in CA-G.R. SP No. 43034 granting Rosauro R. Aquino's petition and setting aside the RTC's Order of September 9, 1996, which granted Eleuteria Rivera's prayer for partition and adjudicated in her favor portions of Lots 23, 28-A-1 and 28-A-2 of the Maysilo Estate. The appellate court likewise set aside the Order and the Writ of Possession dated December 26, 1996.

Nonetheless, on June 5, 1997, petitioner filed a complaint for quieting of title and damages against the surviving heirs of Eleuteria Rivera Vda. de Bonifacio (namely Maximo R. Bonifacio, Ceferino R. Bonifacio, Apolonia B. Tan, Benita B. Caina, Crispina B. Pascual, Rosalia B. de Gracia, Teresita S. Doronia, Christina B. Goco, Arsenio C. Bonifacio, Carmen B. Bernardino and Danilo C. Bonifacio) and the Register of Deeds of Caloocan City. The case was docketed as Civil Case No. C-507 in the RTC of Caloocan City, Branch 122.

On October 7, 1997, then Senator Marcelo B. Fernan filed P.S. Resolution No. 1032 directing the Senate Committees on Justice and Human Rights and on Urban Planning, Housing and Resettlement to conduct a thorough investigation, in aid of legislation, of the irregularities surrounding the titling of the properties in the Maysilo Estate.

In a Decision[22] dated March 24, 2000, the Caloocan RTC ordered the quieting of Phil-Ville's titles over Lots 1-G-1, 1-G-2 and 1-G-3, declaring as valid TCT Nos. 270921, 270922 and 270923 in Phil-Ville's name. The fallo of said Decision reads:

WHEREFORE, and in view of the foregoing, judgment is hereby rendered as follows:

1. Ordering the quieting of title of the plaintiff over Lots 1-G-1, 1-G-2 and 1-G-3, all the subd. plan

Psd-1-13-006209, being a portion of Lot 1-G, Psd-2731, LRC Rec. No. 4429, situated in Kalookan City, as owner thereof in fee simple and with full faith and credit;

2. Declaring Transfer Ce[r]tificates of Title Nos. 270921, 270922 and 270923 in the name of Phil-Ville Development and Housing Corporation over the foregoing parcels of land issued by the Registry of Deeds for Kalookan City, as valid and effective;

3. Declaring Transfer Certificate of Title No. C-314537 over Lot 23, being a portion of Maysilo Estate situated in Maysilo, Kalookan City, in the name of Eleuteria Rivera, issued by the Registry of Deeds for Kalookan City, as null and void and with no force and effect;

4. Ordering the private defendants to surrender to the Registry of Deeds for Kalookan City, thru this Court, the Owner's Duplicate Certificate of said Transfer Certificate of Title No. C-314537 in the name of Eleuteria Rivera;

5. Directing the public defendant, Register of Deeds of Kalookan City to cancel both Transfer Certificate of Title Nos. C-314537 in the name of Eleuteria Rivera on file with the Register of Deeds for Kalookan City, and the Owner's Duplicate copy of Transfer Certificate of Title No. C-314537 being required to be surrendered by the private defendants; and

6. Ordering the private defendants to pay plaintiff, jointly and severally, the sum of P10,000.00, as and by way of attorney's fees, plus the costs of suit.

SO ORDERED.[23]

In upholding Phil-Ville's titles, the trial court adopted the conclusion in Senate Committee Report No. 1031[24] dated May 25, 1998 that there is only one OCT No. 994, registered on May 3, 1917, and that OCT No. 994, purportedly registered on April 19, 1917 (from which Eleuteria Rivera's title originated) does not exist. The trial court also found that it was physically impossible for respondents to be the heirs of Eleuteria Rivera's grandmother, Maria de la Concepcion Vidal, one of the registered owners of OCT No. 994, because Maria de la Concepcion was born sometime in 1903, later than Eleuteria Rivera who was born in 1901.[25] Lastly, the RTC pointed out that contrary to the contentions of Rivera's heirs, there is no overlapping of titles inasmuch as Lot 23 lies far from Lot 23-A, where Phil-Ville's lands are located.

On April 13, 2000, Atty. K.V. Faylona, on behalf of respondents, addressed a letter[26] to the Branch Clerk of Court of the Caloocan City RTC requesting the complete address of Phil-Ville and its counsel. Supposedly, respondents' counsels of record, Attys. Nicomedes Tolentino and Jerry D. Bañares, had abandoned the defense but still kept the records of the case. Thus, the Notice of Appeal[27] on behalf of respondents was filed by Atty. Faylona while two of the heirs, Danilo Bonifacio and Carmen Bernardino, filed a separate Notice of Appeal [28] through their own counsel. The appeals were consolidated and docketed as CA-G.R. CV No. 66547.

On April 17, 2000, respondents withdrew their appeal and instead filed before this Court a Petition for Review on Certiorari,[29] which was docketed as G.R. No. 142640. In a Resolution[30] dated September 25, 2000, the Court referred the petition to the Court of Appeals for adjudication on the merits since the case does not involve pure questions of law. Respondents moved for reconsideration of the Resolution, but the Court denied their motion. Thus, respondents' petition was transferred to the Court of Appeals and docketed as CA-G.R. SP No. 62211.

Meanwhile, on October 17, 2002, the Court of Appeals rendered a Decision[31] in CA-G.R. CV No. 66547, dismissing the appeal as regards Danilo Bonifacio and Carmen Bernardino. Yet, along with Danilo and Carmen, respondents moved for reconsideration on the contention that they are not bound by the judgment since they had withdrawn their appeal therein. The Court of Appeals denied said motion in a Resolution dated June 7, 2004. Danilo, Carmen and respondents elevated the case to the Supreme Court through a Petition for Review on

Certiorari, which was docketed as G.R. No. 163397. Said petition, however, was denied by this Court in a Resolution dated September 8, 2004 for being filed out of time.

Subsequently, on January 31, 2005, the Court of Appeals promulgated its assailed Decision in CA-G.R. SP No. 62211, setting aside the RTC judgment and dismissing Phil-Ville's complaint. The appellate court held that the RTC had no jurisdiction to hear Phil-Ville's complaint as it effectively seeks to annul the Order dated May 25, 1962 of the CFI in LRC No. 4557, which directed the substitution of the late Eleuteria Rivera and her co-heirs in place of Maria de la Concepcion Vidal as registered owners on OCT No. 994. The appellate court likewise affirmed the validity of OCT No. 994 registered on April 19, 1917 citing the Supreme Court Decisions in *Metropolitan Waterworks and Sewerage Systems v. Court of Appeals*[32] and *Heirs of Luis J. Gonzaga v. Court of Appeals*[33] as precedents.

Phil-Ville sought reconsideration[34] of the decision, but the Court of Appeals denied its motion in the assailed Resolution dated March 15, 2005. Hence, this petition.

Petitioner alleges that:

I.

THE HONORABLE COURT OF APPEALS (FORMER NINTH DIVISION) ACTED WITHOUT JURISDICTION ON THE PETITION FOR REVIEW OF RESPONDENTS MAXIMO BONIFACIO, ET AL. IN CA-G.R SP NO. 62211 BECAUSE OF THE EARLIER DISMISSAL OF THEIR APPEAL IN CA-G.R NO. 66547.

II.

THE HONORABLE COURT OF APPEALS (FORMER NINTH DIVISION) ACTED WITHOUT JURISDICTION ON THE PETITION FOR REVIEW FILED BY RESPONDENTS MAXIMO BONIFACIO, ET AL. IN CA-G.R. NO. SP 62211 WHICH DOES NOT RAISE PURE QUESTION[S] OF LAW OR ISSUE[S] OF JURISDICTION AND THEREFORE THE PROPER REMEDY AVAILABLE TO THEM IS ORDINARY APPEAL WHICH, AS STATED, HAD ALREADY BEEN DISMISSED IN CA-G.R. CV NO. 66547.

III.

THE HONORABLE COURT OF APPEALS (FORMER NINTH DIVISION) COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR IN EXCESS OF JURISDICTION IN HOLDING THAT THE TRIAL COURT HAS NO JURISDICTION ON THE COMPLAINT FOR QUIETING OF TITLE FILED BY PETITIONER PHIL-VILLE IN CIVIL CASE NO. C-507, OR IN THE ALTERNATIVE, IN FAILING TO DECLARE RESPONDENTS MAXIMO [BONIFACIO], ET AL. ALREADY IN ESTOPPEL TO RAISE THE SAID ISSUE OF JURISDICTION.[35]

Condensed, petitioner puts in issue the following: (1) whether the Court of Appeals committed grave abuse of discretion in taking cognizance of respondents' petition; and (2) whether the Court of Appeals committed grave abuse of discretion in declaring that the trial court had no jurisdiction over Civil Case No. C-507.

Pertinently, however, the genuine issue in this case is whether TCT No. C-314537 in the name of Eleuteria Rivera constitutes a cloud over petitioner's titles over portions of Lot 23-A of the Maysilo Estate.

Petitioner argues mainly that the Court of Appeals acted without jurisdiction in resolving respondents' petition for review since it had dismissed their appeal in CA-G.R. CV No. 66547 for failure to file brief. Petitioner also points out that respondents' petition is defective because Maximo Bonifacio alone signed its verification and certification of non-forum shopping without proof that he was authorized to sign for the other respondents. It

contends that the ruling in *MWSS v. Court of Appeals* and *Heirs of Gonzaga v. Court of Appeals* will not invalidate its titles because it is not a party to any of said cases. As well, petitioner invokes the finding in the joint investigation by the Senate and the Department of Justice (DOJ) that there is only one OCT No. 994, that is, the one registered on May 3, 1917. It maintains that the trial court had jurisdiction to hear its action since it is one for quieting of title and not for annulment of the CFI Order dated May 25, 1962.

Conversely, respondents rely on *MWSS v. Court of Appeals* and *Heirs of Gonzaga v. Court of Appeals* that upheld the titles emanating from OCT No. 994 registered on April 19, 1917. Therefore, they insist that petitioner has no cause of action to seek the nullification of their title which is a derivative of said OCT. Respondents reiterate that since they had withdrawn their appeal in CA-G.R. CV No. 66547, the Court of Appeals decision therein applies only to Danilo Bonifacio and Carmen Bernardino. Lastly, they believe that petitioner's action is one for annulment of judgment, which is foreign to the jurisdiction of the trial court.

Petitioner argues in its first two assignments of errors that the Court of Appeals acted with grave abuse of discretion in entertaining respondents' petition. However, said contention deserves scant consideration since the Court of Appeals, in CA-G.R. SP No. 62211, properly assumed jurisdiction over respondents' case after the same was referred to it by this Court through our Resolution dated September 25, 2000. The issue raised by respondents, as petitioners in G.R. No. 142640, was purely a question of fact that is beyond the power of this Court to resolve. Essentially, respondents asked the Court to determine the ownership of the lots purportedly covered by petitioner's titles.

Neither do we find merit in petitioner's contention that the dismissal of the appeal in CA-G.R. CV No. 66547 is binding on respondents. The appellate court itself recognized the withdrawal of appeal filed by respondents, thus:

... However, defendants Maximo R. Bonifacio, et al. withdrew their appeal so that the only appellants herein are defendants-appellants Danilo R. Bonifacio, et al.[36]

So did the trial court err in taking cognizance of petitioner's action for quieting of title contrary to respondents' assertion that it is actually one for annulment of the CFI Order dated May 25, 1962? To this query, we rule in the negative.

The nature of an action is determined by the material allegations of the complaint and the character of the relief sought by plaintiff, and the law in effect when the action was filed irrespective of whether he is entitled to all or only some of such relief.[37]

In its complaint, petitioner alleges:

27. That said TCT No. C-314537 of the late Eleuteria Rivera, although apparently valid and effective, are in truth and in fact invalid and ineffective[;]

27.1. An examination of Decree No. 36455 issued on April 19, 1917 in LRC Case No. 4429 and also of OCT No. 994 which was issued ... pursuant thereto will show that Lot 23 covered by the said TCT No. C-3145 [3]7 of the late Eleuteria Rivera is not one of the 34 parcels of land covered by said Decree No. 36455 and OCT 994;

27.2. That, as hereinbefore stated, the same TCT No. C-314537 of the late Eleuteria Rivera is a direct transfer from OCT No. 994 which was registered on April 19, 1917. The fact, however, is that there is only one OCT No. 994 which was issued ... pursuant to Decree No. 36455 in LRC Case No. 4429 and said OCT 994 was registered with the Register of Deeds of Rizal on May 3, 1917. The Office of the Register of Deeds of Caloocan City or of Malabon or of Pasig City has no record of any OCT No. 994 that was allegedly registered on April 19, 1917;

27.3. That said TCT No. C-314537 of the late Eleuteria Rivera could not cover Lot 23-A or any portion/s thereof because, as hereinbefore recited, the whole of Lot 23-A had been totally disposed of as early as July 24, 1923 and she and/or any of her alleged predecessors-in-interest is not among those named in the memorandum of encumbrances of OCT No. 994 as vendees or vendors of said Lot 23-A; [38]

Ultimately, petitioner submits that a cloud exists over its titles because TCT No. C-314537 in the name of Eleuteria Rivera purports to cover the same parcels of land covered by petitioner's TCT Nos. 270921, 270922 and 270923. It points out that what appears to be a valid and effective TCT No. C-314537 is, in truth, invalid because it covers Lot 23 which is not among those described in the OCT No. 994 on file with the Register of Deeds of Rizal and registered on May 3, 1917. Petitioner notes that the OCT No. 994 allegedly registered on April 19, 1917 and from which TCT No. C-314537 was derived, is not found in the records of the Register of Deeds. In other words, the action seeks the removal of a cloud from Phil-Ville's title and/or the confirmation of its ownership over the disputed properties as the successor-in-interest of N. Dela Merced and Sons, Inc.

Quieting of title is a common law remedy for the removal of any cloud upon, doubt, or uncertainty affecting title to real property. Whenever there is a cloud on title to real property or any interest in real property by reason of any instrument, record, claim, encumbrance, or proceeding that is apparently valid or effective, but is, in truth and in fact, invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title. In such action, the competent court is tasked to determine the respective rights of the complainant and the other claimants, not only to place things in their proper places, and make the claimant, who has no rights to said immovable, respect and not disturb the one so entitled, but also for the benefit of both, so that whoever has the right will see every cloud of doubt over the property dissipated, and he can thereafter fearlessly introduce any desired improvements, as well as use, and even abuse the property.[39]

In order that an action for quieting of title may prosper, two requisites must concur: (1) the plaintiff or complainant has a legal or equitable title or interest in the real property subject of the action; and (2) the deed, claim, encumbrance, or proceeding claimed to be casting cloud on his title must be shown to be in fact invalid or inoperative despite its prima facie appearance of validity or legal efficacy.[40]

As regards the first requisite, we find that petitioner was able to establish its title over the real properties subject of this action. Petitioner submitted in evidence the Deed of Absolute Sale [41] by which it acquired the subject property from N. Dela Merced and Sons, Inc., as well as copies of OCT No. 994 dated May 3, 1917 and all the derivative titles leading to the issuance of TCT Nos. 270921, 270922 and 270923 in petitioner's name as follows:

Title No.

Registration Date

Holder

8004

July 24, 1923

Vedasto Galino

8059

September 3, 1923

-ditto-

8160

October 24, 1923

-ditto-

8164

November 6, 1923

Juan Cruz Sanchez

8321

February 26, 1924

-ditto-

8734

September 11, 1924

Emilio Sanchez

12946

November 21, 1927

-ditto-

28315

July 16, 1935

Eastern Syndicate Mining Co., Inc.

39163

November 18, 1939

Royal Lawrence Rutter

43559

July 26, 1941

Mapua Institute of Technology

18767

June 16, 1950

Sofia Nepomuceno

57541

March 13, 1958

Leona N. de Jesus, Pacifico Nepomuceno, Sofia Nepomuceno, Soledad Nepomuceno de Jesus

81679

December 15, 1960

Pacifico Nepomuceno, Sofia N. Jugo, Soledad N. de Jesus

(81680)

17745

December 15, 1960

Pacifico Nepomuceno & Co.

C-13794

April 21, 1978

Pacifico Nepomuceno & Co. Inc.

C-14603

May 16, 1978

N. de La Merced & Sons, Inc.

T-148220

April 22, 1987

Phil-Ville Development and Housing Corp. [42]

Petitioner likewise presented the Proyecto de particion de la Hacienda de Maysilo[43] to prove that Lot 23-A, of which petitioner's Lots 1-G-1, 1-G-2 and 1-G-3 form part, is among the 34 lots covered by OCT No. 994 registered on May 3, 1917. It produced tax receipts accompanied by a Certification[44] dated September 15, 1997 issued by the City Treasurer of Caloocan stating that Phil-Ville has been religiously paying realty taxes on the lots. Its documentary evidence also includes a Plan[45] prepared by the Chief of the Geodetic Surveys Division showing that Lot 23-A of the Maysilo Estate is remotely situated from Lot 23 portion of the Maysilo Estate. Petitioner ties these pieces of evidence to the finding in the DOJ Committee Report[46] dated August 28, 1997 and Senate Committee Report No. 1031 dated May 25, 1998 that, indeed, there is only one OCT No. 994, that is, the one registered on May 3, 1917.

On the other hand, respondents have not adduced competent evidence to establish their title to the contested property or to dispute petitioner's claim over the same. It must be noted that the RTC Order dated September 9, 1996 in Civil Case No. C-424, which resulted in the issuance of TCT No. C-314537 in the name of Eleuteria Rivera had long been set aside by the Court of Appeals in CA-G.R. SP No. 43034. Clearly, respondents' claim anchored primarily on TCT No. C-314537 lacks legal basis. Rather, they rely simply on the Court's pronouncement in *MWSS v. Court of Appeals* and *Heirs of Gonzaga v. Court of Appeals* that OCT No. 994 registered on May 3, 1917 and all titles emanating from it are void.

The Supreme Court sustained said decisions in the case of *Manotok Realty, Inc. v. CLT Realty Development Corporation*[47] promulgated on November 29, 2005. In said case, the Court declared void the titles of the Manotoks and Aranetas which were derived from OCT No. 994 registered on May 3, 1917 consistent with its ruling in *MWSS* and *Gonzaga*. The Court disregarded the DOJ and Senate reports on the alleged anomalies surrounding the titling of the Maysilo Estate.

However, on motion for reconsideration, the Court issued a Resolution [48] dated December 14, 2007 which created a Special Division of the Court of Appeals to hear the consolidated cases on remand. The Special Division was tasked to hear and receive evidence, conclude the proceedings and submit to the Court a report on its findings as well as recommend conclusions within three months from the finality of said Resolution. However, to guide the proceedings before the Special Division, the Court laid the following definitive conclusions:

... First, there is only one OCT 994. As it appears on the record, that mother title was received for transcription by the Register of Deeds on 3 May 1917, and that should be the date which should be reckoned as the date of registration of the title. It may also be acknowledged, as appears on the title, that OCT No. 994 resulted from the issuance of the decree of registration on [19] April 1917, although such date cannot be considered as the date of the title or the date when the title took effect.

Second. Any title that traces its source to OCT No. 994 dated [19] April 1917 is void, for such mother title is inexistent. The fact that the Dimson and CLT titles made specific reference to an OCT No. 994 dated [19] April 1917 casts doubt on the validity of such titles since they refer to an inexistent OCT. This error alone is, in fact, sufficient to invalidate the Dimson and CLT claims over the subject property if singular reliance is placed by them on the dates appearing on their respective titles.

Third. The decisions of this Court in *MWSS v. Court of Appeals* and *Gonzaga v. Court of Appeals* cannot apply to the cases at bar, especially in regard to their recognition of an OCT No. 994 dated 19 April 1917, a title which we now acknowledge as inexistent. Neither could the conclusions in *MWSS* [and] *Gonzaga* with respect to an OCT No. 994 dated 19 April 1917 bind any other case operating under the factual setting the same as or similar to that at bar.[49] (Emphasis supplied.)

Eventually, on March 31, 2009, the Supreme Court issued a Resolution [50] reversing its Decision of November 29, 2005 and declaring certain titles in the names of Araneta and Manotok valid. In the course of discussing the flaws of Jose Dimson's title based on his alleged 25% share in the hereditary rights of Bartolome Rivera, Eleuteria Rivera's co-petitioner in LRC No. 4557, the Court noted:

... However, the records of these cases would somehow negate the rights of Rivera to claim from Vidal. The Verification Report of the Land Registration Commission dated 3 August 1981 showed that Rivera was 65 years old on 17 May 1963 (as gathered from the records of Civil Case Nos. 4429 and 4496). It can thus be deduced that, if Rivera was already 65 years old in 1963, then he must have been born around 1898. On the other hand, Vidal was only nine (9) years in 1912; hence, she could have been born only on [1903]. This alone creates an unexplained anomalous, if not ridiculous, situation wherein Vidal, Rivera's alleged grandmother, was seven (7) years younger than her alleged grandson. Serious doubts existed as to whether Rivera was in fact an heir of Vidal, for him to claim a share in the disputed portions of the Maysilo Estate.[51]

The same is true in this case. The Death Certificate[52] of Eleuteria Rivera reveals that she was 96 years old when she died on February 22, 1997. That means that she must have been born in 1901. That makes Rivera two years older than her alleged grandmother Maria de la Concepcion Vidal who was born in 1903. Hence, it was physically impossible for Eleuteria Rivera to be an heir of Maria de la Concepcion Vidal.

Moreover, the Partition Plan of the Maysilo Estate shows that Lot 23-A was awarded, not to Maria de la Concepcion Vidal, but to Isabel Tuason, Esperanza Tuason, Trinidad Jurado, Juan O' Farrell and Angel O' Farrell.[53] What Vidal received as her share were Lot 6 and portions of Lots 10 and 17, all subject to the usufructuary right of her mother Mercedes Delgado. This was not at all disputed by respondents.

On the other hand, Vedasto Galino, who was the holder of TCT No. 8004 registered on July 24, 1923 and to whom petitioner traces its titles, was among the successful petitioners in Civil Case No. 391 entitled *Rosario Negrao, et al. v. Concepcion Vidal, et al.*, who sought the issuance of bills of sale in favor of the actual occupants

of certain portions of the Maysilo Estate.

Be that as it may, the second requisite in an action for quieting of title requires that the deed, claim, encumbrance, or proceeding claimed to be casting cloud on his title must be shown to be in fact invalid or inoperative despite its prima facie appearance of validity or legal efficacy. Article 476 of the Civil Code provides:

Art. 476. Whenever there is a cloud on title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title.

An action may also be brought to prevent a cloud from being cast upon title to real property or any interest therein.

Thus, the cloud on title consists of: (1) any instrument, record, claim, encumbrance or proceeding; (2) which is apparently valid or effective; (3) but is in truth and in fact invalid, ineffective, voidable, or unenforceable; and (4) may be prejudicial to the title sought to be quieted. The fourth element is not present in the case at bar.

While it is true that TCT No. C-314537 in the name of Eleuteria Rivera is an instrument that appeared to be valid but was subsequently shown to be invalid, it does not cover the same parcels of land that are described in petitioner's titles. Foremost, Rivera's title embraces a land measuring 14,391.54 square meters while petitioner's lands has an aggregate area of only 8,694 square meters. On the one hand, it may be argued that petitioner's land could be subsumed within Rivera's 14,391.54-square meter property. Yet, a comparison of the technical descriptions of the parties' titles negates an overlapping of their boundaries.

The technical description of respondents' TCT No. C-314537 reads:

A parcel of land (Lot 23, being a portion of Maysilo Estate) situated in Maysilo, Caloocan, Metro Manila, Island of Luzon. Bounded on the NW., along line 1-2 by Blk. 2; on the SW., along line 2-3 by Jacinto Street, along lines 3-4-5 by Blk. 4; along line 5-6 by Bustan St., and San Diego St., on the S., along lines 6-7-8 by Blk. 13, all of Caloocan Cadastre; on the NE., along line 8-9 by Caloocan Cadastre; and on the N., along line 9-1 by Epifanio de los Santos Avenue. Beginning at a point marked "1" on plan, being S. 28 deg. 30'E., 530.50 m. from MBM No. 1, Caloocan Cadastre; thence S. 07 deg. 20'W., 34.00 m. to point 2; S. 17 deg. 10'E., 12.00 m. to point 3; (0/illegible) S. 15 deg. 31'E., 31.00 m. to point 4; S. 27 deg. 23'E., 22.50 m. to point 5; S. 38 deg. 41'E., 43.20 m. to point 6; S. 71 deg. 35'E., 10.60 m. to point 7; N. 84 deg. 30'E., 38.80 m. to point 8; N. 11 deg. 40'W., 131.20 m. to point 9; N. 89 deg. 10'W., 55.00 m. to the point of beginning; containing an area of FOURTEEN THOUSAND THREE HUNDRED NINETY ONE SQUARE METERS AND FIFTY FOUR SQUARE DECIMETERS (14,391.54). more or less. All points referred to are indicated on the plan and are marked on the ground by Old Ps. cyl. conc. mons. 15 x 60 cm.; bearings true; [54] (Emphasis supplied).

On the other hand, the technical description of petitioner's lands before they were subdivided under TCT No. T-148220 is as follows:

A parcel of land (Lot No. 1-G of the subdivision plan Psd-2731, being a portion of Lot 23-A, Maysilo Estate, GLRO Rec. No. 4429), situated in the Municipality of Caloocan, Province of Rizal. Bounded on the North., by Calle A. Samson; on the East., by properties of Gregoria de Jesus, Arcadio de Jesus and Felix de Jesus; on the South., by properties of Lucas Bustamante and Patricio Galauran; and on the West., by property of Patricio Galauran; and Lot No. 1-E of the subdivision plan. Beginning at a point marked "1" on plan, being N.69 deg. 27'E., 1600.19 m. from BLLM No. 1, Mp. of Caloocan, more or less, thence S. 21 deg. 25'E., 44.78 m. to point 2; thence S. 14 deg. 57'E., 37.24 m. to point 3; thence S. 81 deg. 11'W., 20.28 m. to point 4; thence S.

86 deg. 06'W., 15.45 m. to point 5; thence N. 67 deg. 20'W., 15.91 m. to point 6; thence N. 35 deg. 19'W., 37.56 m. to point 7; thence N. 27 deg. 11'W., 12.17 m. to point 8; thence N. 19 deg. 26'W., 23.32 m. to point 9; thence N. 13 deg. 08'W., 28.25 m. to point 10; thence S. 78 deg. 45'W., 13.00 m. to point 11; thence N. 0 deg. 56'E., 48.92 m. to point 12; thence N. 89 deg. 13'E., 53.13 m. to point 13; thence S. 21 deg. 24'E., 67.00 m. to the point of beginning; containing an area of EIGHT THOUSAND SIX HUNDRED NINETY FOUR (8,694) SQUARE METERS, more or less. All points referred to are indicated on the plan and are marked on the ground points 1,2,3 and 13 by Old PLS conc. mons. point 4,6,7,8 and 9 by Old PLS stone mons.; points 5 to 10 and old stakes points 11 and 12 by PLS conc. mons. bearings true, declination 1 deg. 08'E., date of the original survey, Sept. 8-27, Oct. 4-21 and Nov. 17-18, 1911 and that of the subdivision survey, Oct. 14 and 15, 1927.[55] (Emphasis supplied).

Such disparity in location is more vividly illustrated in the Plan prepared by Engr. Privadi J.G. Dalire, Chief of the Geodetic Surveys Division, showing the relative positions of Lots 23 and 23-A. As it appears on the Plan, the land covered by respondents' TCT No. C-314537 lies far west of petitioner's lands under TCT Nos. 270921, 270922 and 270923. Strictly speaking, therefore, the existence of TCT No. C-314537 is not prejudicial to petitioner's titles insofar as it pertains to a different land.

Significantly, an action to quiet title is characterized as a proceeding quasi in rem.[56] In an action quasi in rem, an individual is named a defendant and the purpose of the proceeding is to subject his interests to the obligation or loan burdening the property. Actions quasi in rem deal with the status, ownership or liability of a particular property but which are intended to operate on these questions only as between the particular parties to the proceedings and not to ascertain or cut off the rights or interests of all possible claimants. The judgment therein is binding only upon the parties who joined in the action. [57]

Yet, petitioner was well aware that the lots encompassed by its titles are not the same as that covered by respondents' title. In its complaint, Phil-Ville alleges:

27.4. That Lot 23, being a portion of Maysilo Estate, as described in said TCT No. C-314537 of the late Eleuteria Rivera when plotted using its tie line to MBM No. 1, Caloocan Cadastre is outside Lot 23-A of the Maysilo Estate. This must be so because Lot 23 is not [a] portion of Lot 23-A, Maysilo Estate....[58]

This brings petitioner's action within the purview of Rule 63 of the Rules of Court on Declaratory Relief. Section 1 of Rule 63 provides:

SECTION 1. Who may file petition.-Any person interested under a deed, will, contract or other written instrument, whose rights are affected by a statute, executive order or regulation, ordinance or any other governmental regulation may, before breach or violation thereof, bring an action in the appropriate Regional Trial Court to determine any question of construction or validity arising, and for a declaration of his rights or duties, thereunder.

An action for the reformation of an instrument, to quiet title to real property or remove clouds therefrom, or to consolidate ownership under Article 1607 of the Civil Code, may be brought under this Rule. (Emphasis supplied).

An action for declaratory relief presupposes that there has been no actual breach of the instruments involved or of the rights arising thereunder. Since the purpose of an action for declaratory relief is to secure an authoritative statement of the rights and obligations of the parties under a statute, deed, or contract for their guidance in the enforcement thereof, or compliance therewith, and not to settle issues arising from an alleged breach thereof, it may be entertained before the breach or violation of the statute, deed or contract to which it refers. A petition for declaratory relief gives a practical remedy for ending controversies that have not reached the state where another relief is immediately available; and supplies the need for a form of action that will set controversies at rest before

they lead to a repudiation of obligations, an invasion of rights, and a commission of wrongs.

In the present case, petitioner filed a complaint for quieting of title after it was served a notice to vacate but before it could be dispossessed of the subject properties. Notably, the Court of Appeals, in CA-G.R. SP No. 43034, had earlier set aside the Order which granted partial partition in favor of Eleuteria Rivera and the Writ of Possession issued pursuant thereto. And although petitioner's complaint is captioned as Quieting of Title and Damages, all that petitioner prayed for, is for the court to uphold the validity of its titles as against that of respondents'. This is consistent with the nature of the relief in an action for declaratory relief where the judgment in the case can be carried into effect without requiring the parties to pay damages or to perform any act.[59]

Thus, while petitioner was not able to demonstrate that respondents' TCT No. C-314537 in the name of Eleuteria Rivera constitutes a cloud over its title, it has nevertheless successfully established its ownership over the subject properties and the validity of its titles which entitles it to declaratory relief.

WHEREFORE, the petition for review on certiorari is GRANTED. The Decision dated January 31, 2005 and Resolution dated March 15, 2005 of the Court of Appeals in CA-G.R. SP No. 62211 are SET ASIDE. The Decision dated March 24, 2000 of the Caloocan RTC in Civil Case No. C-507 is hereby REINSTATED and UPHELD.

No pronouncement as to costs.

SO ORDERED.

Carpio Morales, (Chairperson), Brion, Bersamin, and Sereno, JJ., concur.

[1] Rollo, pp. 9-66.

[2] Id. at 68-102. Penned by Associate Justice Mariano C. Del Castillo (now a member of this Court) with Associate Justices Romeo A. Brawner and Magdangal M. de Leon concurring.

[3] Id. at 104-105.

[4] Records, pp. 1-20.

[5] CA rollo, pp. 254-262.

[6] Exhibit "W".

[7] Exhibit "X".

[8] Exhibit "Y".

[9] Exhibit "V".

[10] Exhibit "B".

[11] Exhibit "TT".

[12] Exhibit "VV".

[13] Exhibit "XX".

[14] Exhibit "YY".

[15] Exhibit "QQ".

- [16] Exhibit “DDD”.
- [17] Exhibit “BBB”.
- [18] Exhibit “CCC”.
- [19] Exhibit “EEE”.
- [20] Exhibit “SS”.
- [21] Exhibit “FFF”.
- [22] Rollo, pp. 143-187.
- [23] Id. at 186-187.
- [24] Exhibit “III”.
- [25] Rollo, p. 174.
- [26] Records, p. 628.
- [27] Id. at 634-635.
- [28] Id. at 629-630.
- [29] CA rollo, pp. 10-38.
- [30] Id. at 150.
- [31] Id. at 301-327.
- [32] G.R. No. 103558, November 17, 1992, 215 SCRA 783.
- [33] G.R. Nos. 96259 & 96274, September 3, 1996, 261 SCRA 327.
- [34] CA rollo, pp. 254-262.
- [35] Rollo, p. 38.
- [36] CA rollo, p. 321.
- [37] Heirs of Toring v. Heirs of Boquilaga, G.R. No. 163610, September 27, 2010, p. 9.
- [38] Records, pp. 15-16.
- [39] Heirs of Toring v. Heirs of Boquilaga, supra note 37 at 11.
- [40] Eland Philippines, Inc. v. Garcia, G.R. No. 173289, February 17, 2010, 613 SCRA 66, 92.
- [41] Exhibit “BB”.
- [42] Exhibits “F”-“V”.
- [43] Exhibits “D” & “E”.
- [44] Exhibit “KK”.
- [45] Exhibit “GG”.
- [46] Exhibit “NN”.

[47] G.R. Nos. 123346, 134385 and 148767, November 29, 2005, 476 SCRA 305.

[48] Manotok Realty, Inc. v. CLT Realty Development Corporation, G.R. Nos. 123346 and 134385, December 14, 2007, 540 SCRA 304.

[49] Id. at 348-349.

[50] Manotok Realty, Inc. v. CLT Realty Development Corporation, G.R. Nos. 123346 & 134385, March 31, 2009, 582 SCRA 583.

[51] Id. at 609.

[52] Exhibit "SS".

[53] Exhibit "E-21".

[54] Exhibit "QQ"; see also records, p. 14.

[55] Exhibit "V".

[56] San Pedro v. Ong, G.R. No. 177598, October 17, 2008, 569 SCRA 767, 780.

[57] Id. at 781.

[58] Records, p. 16.

[59] See M.V. Moran, Comments on the Rules of Court, p. 203 (1997).

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