

NICOMEDES J. LOZADA, PETITIONER, VS. EULALIA BRACEWELL, EDDIE BRACEWELL, ESTELLITA BRACEWELL, JAMES BRACEWELL, JOHN BRACEWELL, EDWIN BRACEWELL, ERIC BRACEWELL, AND HEIRS OF GEOR...*G.R. No. 179155. April 02, 2014*

Ponente: PERLAS-BERNABE, J.

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Assailed in this petition for review on certiorari[1] are the Decision[2] dated May 23, 2007 and the Resolution[3] dated August 14, 2007 of the Court of Appeals (CA) in CA-G.R. CV No. 81075, which affirmed the Decision[4] dated July 31, 2003 of the Regional Trial Court (RTC) of Las Piñas City, Branch 275 in Civil Case No. LP 98-0025, directing the Land Registration Authority (LRA) to set aside Decree of Registration No. N-217036 (Decree No. N-217036) and Original Certificate of Title (OCT) No. 0-78 in the name of petitioner Nicomedes J. Lozada (petitioner), and ordering the latter to cause the amendment of Plan PSU-129514 as well as segregate therefrom Lot 5 of Plan PSU-180598.

The Facts

On December 10, 1976, petitioner filed an application for registration and confirmation of title over a parcel of land covered by Plan PSU-129514, which was granted on February 23, 1989 by the RTC of Makati City, Branch 134, acting as a land registration court.[5] Consequently, on July 10, 1997, the LRA issued Decree No. N-217036 in the name of petitioner, who later obtained OCT No. 0-78 covering the said parcel of land.[6]

On February 6, 1998, within a year from the issuance of the aforementioned decree, James Bracewell, Jr. (Bracewell) filed a petition for review of a decree of registration under Section 32 of Presidential Decree No. (PD) 1529,[7] otherwise known as the “Property Registration Decree,” before the RTC of Las Piñas City, Branch 275 (Las Piñas City-RTC), docketed as Civil Case No. LP 98-0025,[8] claiming that a portion of Plan PSU-129514, consisting of 3,097 square meters identified as Lot 5 of Plan PSU-180598 (subject lot) – of which he is the absolute owner and possessor – is fraudulently included in Decree No. N-217036.[9] He allegedly filed on September 19, 1963 an application for registration and confirmation of the subject lot, as well as of Lots 1, 2, 3, and 4 of Plan PSU-180598, situated in Las Piñas City, which was granted by the RTC of Makati City, Branch 58, on May 3, 1989.[10] He further averred that petitioner deliberately concealed the fact that he (Bracewell) is one of the adjoining owners, and left him totally ignorant of the registration proceedings involving the lots covered by Plan PSU-129514.[11] Instead of impleading him, petitioner listed Bracewell’s grandmother, Maria Cailles, as an adjoining owner, although she had already died by that time.[12]

In his answer[13] to the foregoing allegations, petitioner called Bracewell a mere interloper with respect to the subject lot, which the Bureau of Lands had long declared to be part and parcel of Plan PSU-129514.[14] He argued that his Plan PSU-129514 was approved way back in 1951 whereas Bracewell’s Plan PSU-180598 was surveyed only in 1960, and stated that the latter plan, in fact, contained a footnote that a portion known as Lot 5,

i.e., the subject lot, is a portion of the parcel of land covered by Plan PSU-129514. [15]

The overlapping was confirmed by LRA Director Felino M. Cortez in his 2nd Supplementary Report dated August 5, 1996, which was submitted to the RTC of Makati City, Branch 134.[16] The report, which contains a recommendation that petitioner be ordered to cause the amendment of Plan PSU-129514 in view of Bracewell's claims, reads as follows:

COMES NOW the Land Registration Authority (LRA) and to the Honorable Court respectfully submits this report:

1. LRA records show that a decision was rendered by the Honorable Court on February 23, 1989, confirming the title of the herein applicant [petitioner] over the parcel of land covered by plan PSU-129514;
2. Upon updating of plotting on our Municipal Index Sheet, thru its tie line, it was found to overlap with plan PSU-180598, Lot 5, applied in LRC Record No. N-24916, which was referred to the Lands Management Services, El Bldg., Quezon City, for verification and/or correction in our letter dated January 12, 1996 x x x;
3. In reply, the Regional Technical Director, thru the Chief, Surveys Division, in his letter dated 20 June 1996, x x x, informed this Authority that after [re-verification] and research of the plan, they found out that Lot 5, PSU-180598 applied in LRC Record No. N-24916 is a portion of plan PSU-129514, applied in the instant case;
4. Our records further show that the petition for registration of title to real property pertaining to Lot 5, PSU-180598 filed by the petitioner James Bracewell, Jr. under Land Reg. Case No. N-4329, LRC Record No. N-24916 has been granted by the Honorable Court per his decision dated May 3, 1989.

WHEREFORE, the foregoing is respectfully submitted to the Honorable Court for its information with the recommendation that the applicant [herein petitioner] in the instant case be ordered to cause for the amendment of plan PSU-129514, subject of registration, by segregating therefrom the portion of Lot 5, PSU-180598 also decided in Land Reg. Case No. N-4328. The approved amended plan and the corresponding certified technical descriptions shall forthwith be submitted to the Honorable Court for its approval to enable us to comply with the decision of the Court dated May 3, 1989 in the instant case. [17] (Emphases supplied)

The Las Piñas City-RTC Ruling

Finding that petitioner obtained Decree No. N-217036 and OCT No. 0-78 in bad faith, the Las Piñas City-RTC rendered a Decision[18] on July 31, 2003 in favor of Bracewell, who had died during the pendency of the case and was substituted by Eulalia Bracewell and his heirs (respondents). Accordingly, it directed the LRA to set aside Decree No. N-217036 and OCT No. 0-78, and ordered petitioner (a) to cause the amendment of Plan PSU-129514 and to segregate therefrom the subject lot, and (b) to pay respondents the sum of ₱100,000.00 as attorney's fees, as well as the cost of suit.[19]

The Las Piñas City-RTC faulted petitioner for deliberately preventing respondents from participating and objecting to his application for registration when the documentary evidence showed that, as early as 1962, Bracewell had been paying taxes for the subject lot; and that he (Bracewell) was recognized as the owner thereof in the records of the Bureau of Lands way back in 1965, as well as in the City Assessor's Office.[20]

Aggrieved, petitioner elevated his case on appeal[21] before the CA, docketed as CA-G.R. CV No. 81075, arguing mainly that the Las Piñas City-RTC had no jurisdiction over a petition for review of a decree of registration under Section 32 of PD 1529, which should be filed in the same branch of the court that rendered the decision and ordered the issuance of the decree.[22] He likewise raised (a) the failure of Bracewell to submit to conciliation proceedings,[23] as well as (b) the commission of forum shopping, considering that the decision granting Bracewell's application for registration over Lots 1, 2, 3, 4, and 5 of Plan PSU-180598 was still pending

resolution before the Court at the time he filed Civil Case No. LP 98-0025.[24]

The CA Ruling

In a Decision[25] dated May 23, 2007, the appellate court affirmed the assailed judgment of the RTC, finding that respondents were able to substantiate their claim of actual fraud in the procurement of Decree No. N-217036, which is the only ground that may be invoked in a petition for review of a decree of registration under Section 32 of PD 1529. It held that, since the petition for review was filed within one (1) year from the issuance of the questioned decree, and considering that the subject lot is located in Las Piñas City, the RTC of said city had jurisdiction over the case.[26] It further declared that: (a) there was no need to submit the case a quo for conciliation proceedings because the LRA, which is an instrumentality of the government, had been impleaded; (b) no forum shopping was committed because the petition for review of the decree of registration before the Las Piñas City-RTC and the application for land registration then pending before the Court involved different parties and issues; and (c) the award of attorney's fees was well within the sound discretion of the RTC.[27]

Petitioner's motion for reconsideration[28] having been denied,[29] he now comes before the Court via the instant petition for review, challenging primarily the jurisdiction of the Las Piñas City-RTC which set aside and nullified the judgment rendered by the RTC of Makati City, Branch 134 that had not yet become final and was still within its exclusive control and discretion because the one (1) year period within which the decree of registration issued by the LRA could be reviewed has not yet elapsed.[30]

The Issue Before the Court

The core issue raised for the Court's resolution is whether or not the Las Piñas City-RTC has jurisdiction over the petition for review of Decree No. N-217036, which was issued as a result of the judgment rendered by the RTC of Makati City, Branch 134.

The Court's Ruling

The petition must fail.

Under Act No. 496[31] (Act 496), or the "Land Registration Act," as amended,[32] – which was the law in force at the time of the commencement by both parties of their respective registration proceedings – jurisdiction over all applications for registration of title was conferred upon the Courts of First Instance (CFIs, now RTCs) of the respective provinces in which the land sought to be registered is situated.[33]

The land registration laws were updated and codified under PD 1529, which took effect on January 23, 1979,[34] and under Section 17[35] thereof, jurisdiction over an application for land registration is still vested on the CFI (now, RTC) of the province or city where the land is situated.[36]

Worth noting is the explanation proffered by respondents in their comment to the instant petition that when petitioner filed his land registration case in December 1976, jurisdiction over applications for registration of property situated in Las Piñas City was vested in the RTC of Makati City in view of the fact that there were no RTC branches yet in the Las Piñas City at that time.[37] Bracewell's own application over Lots 1, 2, 3, 4, and 5 of Plan PSU-180598, all situated in Las Piñas City, was thus granted by the RTC of Makati City, Branch 58.[38]

Subsequently, Batas Pambansa Bilang (BP) 129,[39] otherwise known as "The Judiciary Reorganization Act of 1980," was enacted and took effect on August 14, 1981,[40] authorizing the creation of RTCs in different judicial regions, including the RTC of Las Piñas City as part of the National Capital Judicial Region.[41] As pointed out by the court a quo in its Decision dated July 31, 2003, the RTC of Las Piñas City was established "in or about 1994." [42] Understandably, in February 1998, Bracewell sought the review of Decree No. N-217036 before the Las Piñas City-RTC, considering that the lot subject of this case is situated in Las Piñas City.

Petitioner maintains that the petition for review should have been filed with the RTC of Makati City, Branch 134, which rendered the assailed decision and ordered the issuance of Decree No. N-217036, citing the 1964 case of *Amando Joson, et al. v. Busuego* [43] (Joson) among others. In said case, Spouses Amando Joson and Victoria Balmeo (Sps. Joson) filed a petition to set aside the decree of registration issued in favor of Teodora Busuego (Busuego) on the ground that the latter misrepresented herself to be the sole owner of the lot when in truth, the Sps. Joson were owners of one-half thereof, having purchased the same from Busuego's mother.[44] The court a quo therein dismissed the petition for the reason that since its jurisdiction as a cadastral court was special and limited, it had no authority to pass upon the issues raised. Disagreeing, the Court held that, as long as the final decree has not been issued and the period of one (1) year within which it may be reviewed has not elapsed, the decision remains under the control and sound discretion of the court rendering the decree, which court after hearing, may even set aside said decision or decree and adjudicate the land to another.[45]

To be clear, the only issue in Joson was which court should take cognizance of the nullification of the decree, i.e., the cadastral court that had issued the decree, or the competent CFI in the exercise of its general jurisdiction.[46] It should be pointed out, however, that with the passage of PD 1529, the distinction between the general jurisdiction vested in the RTC and the limited jurisdiction conferred upon it as a cadastral court was eliminated. RTCs now have the power to hear and determine all questions, even contentious and substantial ones, arising from applications for original registration of titles to lands and petitions filed after such registration.[47] Accordingly, and considering further that the matter of whether the RTC resolves an issue in the exercise of its general jurisdiction or of its limited jurisdiction as a special court is only a matter of procedure and has nothing to do with the question of jurisdiction,[48] petitioner cannot now rely on the Joson pronouncement to advance its theory.

Section 32 of PD 1529 provides that the review of a decree of registration falls within the jurisdiction of and, hence, should be filed in the "proper Court of First Instance," viz.:

Section 32. Review of decree of registration; Innocent purchaser for value. The decree of registration shall not be reopened or revised by reason of absence, minority, or other disability of any person adversely affected thereby, nor by any proceeding in any court for reversing judgments, subject, however, to the right of any person, including the government and the branches thereof, deprived of land or of any estate or interest therein by such adjudication or confirmation of title obtained by actual fraud, to file in the proper Court of First Instance a petition for reopening and review of the decree of registration not later than one year from and after the date of the entry of such decree of registration, but in no case shall such petition be entertained by the court where an innocent purchaser for value has acquired the land or an interest therein, whose rights may be prejudiced. Whenever the phrase "innocent purchaser for value" or an equivalent phrase occurs in this Decree, it shall be deemed to include an innocent lessee, mortgagee, or other encumbrancer for value.

Upon the expiration of said period of one year, the decree of registration and the certificate of title issued shall become incontrovertible. Any person aggrieved by such decree of registration in any case may pursue his remedy by action for damages against the applicant or any other persons responsible for the fraud. (Emphasis and underscoring supplied)

Since the LRA's issuance of a decree of registration only proceeds from the land registration court's directive, a petition taken under Section 32 of PD 1529 is effectively a review of the land registration court's ruling. As such, case law instructs that for "as long as a final decree has not been entered by the [LRA] and the period of one (1) year has not elapsed from the date of entry of such decree, the title is not finally adjudicated and the decision in the registration proceeding continues to be under the control and sound discretion of the court rendering it." [49]

While it is indeed undisputed that it was the RTC of Makati City, Branch 134 which rendered the decision directing the LRA to issue Decree No. N-217036, and should, applying the general rule as above-stated, be the

same court before which a petition for the review of Decree No. N-217036 is filed, the Court must consider the circumstantial milieu in this case that, in the interest of orderly procedure, warrants the filing of the said petition before the Las Piñas City-RTC.

Particularly, the Court refers to the fact that the application for original registration in this case was only filed before the RTC of Makati City, Branch 134 because, during that time, i.e., December 1976, Las Piñas City had no RTC. Barring this situation, the aforesaid application should not have been filed before the RTC of Makati City, Branch 134 pursuant to the rules on venue prevailing at that time. Under Section 2, Rule 4 of the 1964 Revised Rules of Court, which took effect on January 1, 1964, the proper venue for real actions, such as an application for original registration, lies with the CFI of the province where the property is situated, viz.:

Sec. 2. Venue in Courts of First Instance.— (a) Real actions.—Actions affecting title to, or for recovery of possession, or for partition or condemnation of, or foreclosure of mortgage on, real property, shall be commenced and tried in the province where the property or any part thereof lies.

As the land subject of this case is undeniably situated in Las Piñas City, the application for its original registration should have been filed before the Las Piñas City-RTC were it not for the fact that the said court had yet to be created at the time the application was filed. Be that as it may, and considering further that the complication at hand is actually one of venue and not of jurisdiction (given that RTCs do retain jurisdiction over review of registration decree cases pursuant to Section 32 of PD 1529), the Court, cognizant of the peculiarity of the situation, holds that the Las Piñas City-RTC has the authority over the petition for the review of Decree No. N-217036 filed in this case. Indeed, the filing of the petition for review before the Las Piñas City-RTC was only but a rectificatory implementation of the rules of procedure then-existing, which was temporarily set back only because of past exigencies. In light of the circumstances now prevailing, the Court perceives no compelling reason to deviate from applying the rightful procedure. After all, venue is only a matter of procedure^[50] and, hence, should succumb to the greater interests of the orderly administration of justice.^[51]

Anent the other ancillary issues raised by petitioner on forum shopping, submission to conciliation proceedings, and award of attorney's fees, suffice it to say that the same have been adequately discussed by the appellate court and, hence, need no further elucidation.

Finally, on the matter of petitioner's objections against the trial judge's "unusual interest" in the case, the Court concurs with the CA in saying that such tirades are not helpful to his cause. Besides, as pointed out in the Decision dated July 31, 2003 of the RTC of Makati City, Branch 275, petitioner already had his chance to disqualify the trial judge from further hearing the case, but the appellate court dismissed his petition in CA G.R. SP No. 74187 for lack of merit.^[52]

WHEREFORE, the petition is DENIED. The Decision dated May 23, 2007 and the Resolution dated August 14, 2007 of the Court of Appeals in CA-G.R. CV No. 81075 are hereby AFFIRMED.

SO ORDERED.

Carpio, (Chairperson), Brion, Del Castillo, and Perez, JJ., concur.

[1] Rollo, pp. 8-43.

[2] Id. at 179-191. Penned by Associate Justice Aurora Santiago-Lagman, with Associate Justices Bienvenido L. Reyes (now, member of the Court) and Apolinario D. Bruselas, Jr. concurring.

[3] Id. at 202-203.

[4] Id. at 102-107. Penned by Judge Bonifacio Sanz Maceda.

[5] Id. at 104.

[6] Id.

[7] Entitled “Amending And Codifying The Laws Relative To Registration Of Property And For Other Purposes.”

[8] Rollo, pp. 45-51.

[9] Id. at 47.

[10] Id. at 46-47.

[11] Id. at 48-49.

[12] Id. at 48.

[13] Id. at 71-73.

[14] Id. at 72.

[15] Id. at 71.

[16] Id. at 104.

[17] Id. at 105.

[18] Id. at 102-107.

[19] Id. at 107.

[20] Id. at 106.

[21] Id. at 109-152. Appellant’s Brief dated August 15, 2004.

[22] Id. at 121-122.

[23] Id. at 137-139.

[24] Id. at 139-140.

[25] Id. at 179-191

[26] Id. at 185-186.

[27] Id. at 186-187 and 190.

[28] Dated June 7, 2007; id. at 192-201.

[29] Id. at 202.

[30] Id. at 9.

[31] Entitled “AN ACT TO PROVIDE FOR THE ADJUDICATION AND REGISTRATION OF TITLES TO LANDS IN THE PHILIPPINE ISLANDS.”

[32] As amended by Act No. 2347, entitled “AN ACT TO PROVIDE FOR THE REORGANIZATION OF THE COURTS OF FIRST INSTANCE AND OF THE COURT OF LAND REGISTRATION.”

[33] See *City of Dumaguete v. Philippine Ports Authority*, G.R. No. 168973, August 24, 2011, 656 SCRA 102, 120.

[34] *Esconde v. Hon. Barlongay*, 236 Phil. 644, 651 (1987).

[35] Section 17. What and where to file. The application for land registration shall be filed with the Court of First Instance of the province or city where the land is situated. The applicant shall file together with the application all original muniments of titles or copies thereof and a survey plan of the land approved by the Bureau of Lands.

The clerk of court shall not accept any application unless it is shown that the applicant has furnished the Director of Lands with a copy of the application and all annexes.

[36] See *City of Dumaguete v. Philippine Ports Authority*, *supra* note 33, at 120-121.

[37] *Rollo*, p. 242.

[38] *Id.* at 46-47.

[39] Entitled “AN ACT REORGANIZING THE JUDICIARY, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES.”

[40] *Tomawis v. Balindong*, G.R. No. 182434, March 5, 2010, 614 SCRA 354, 364.

[41] BP 129, Chapter II, Sec. 13.

[42] *Rollo*, p. 105.

[43] 120 Phil 1473 (1964).

[44] *Id.* at 1474.

[45] *Id.* at 1476.

[46] *Id.* at 1475.

[47] See *Philippine National Bank v. International Corporate Bank*, 276 Phil. 551, 558-559 (1991).

[48] See *Manalo v. Hon. Mariano*, 161 Phil. 108, 120 (1976), citations omitted. See also *Romero v. CA*, G.R. No. 188921, April 18, 2012, 670 SCRA 218, 227, citing *Coca v. Borromeo*, 171 Phil. 246 (1978).

[49] *Atty. Gomez v. CA*, 250 Phil. 504, 510 (1988).

[50] See *Heirs of Lopez v. De Castro*, 381 Phil. 591, 610 (2000).

[51] See *Vallacar Transit, Inc. v. Yap*, 211 Phil. 641, 643 (1983).

[52] *Rollo*, p. 103.

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