

**PIONEER INSURANCE AND SURETY CORPORATION, PETITIONER, VS.
HEIRS OF VICENTE CORONADO, MAURA CORONADO, SIMEON
CORONADO, JULIAN CORONADO AND CRUZ B. CARBON,
RESPONDENTS.**

G.R. No. 180357. August 04, 2009

Ponente: NACHURA, J.

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NACHURA, J.:

This is a petition for review on certiorari of the Court of Appeals (CA) Decision[1] dated June 27, 2007 and Resolution dated October 17, 2007. The petition stems from a complaint seeking the annulment of petitioner's certificate of title, which was dismissed for lack of cause of action on the ground that the said title covered a parcel of land different from the one being claimed by the plaintiffs (herein respondents). But petitioner, dissatisfied by the pronouncement of the trial court, filed this petition for review, praying that the complaint be dismissed simply for utter lack of merit, and the Court declare its property to be "located in the exact place described in its certificate of title."

The facts of the case

Respondents Vicente, Maura, Simeon and Julian, all surnamed Coronado, are the legal heirs of Doroteo Garcia. The Coronados, together with Cruz B. Carbon, filed with the Regional Trial Court (RTC), Antipolo, Rizal, a complaint for "Annulment of Title and/or Reconveyance" against petitioner, Pioneer Insurance and Surety Corporation, alleging that (i) Doroteo Garcia owned a parcel of land with an area of 23 hectares, a portion of which is located at Tugtugin, Barangay de la Paz, Antipolo City, while the other portion is located at Pinagbarilan, Barangay dela Paz, Antipolo City; (ii) the entire parcel of land was declared for taxation purposes in 1906 in the name of Doroteo Garcia under Tax Declaration No. 16495 (now Tax Declaration No. 03-6799-SJ387); (iii) Doroteo Garcia had been in possession of the land since Spanish time and, upon his death, his heirs, respondents Coronados, maintained possession of the land until the present; (iv) on December 29, 1970, respondents Coronados, together with Cruz B. Carbon who was given a portion of the parcel of land in consideration of legal services he rendered, executed a Deed of Extrajudicial Partition of Real Estate partitioning the property among themselves; (v) respondents later learned that a portion of the land was registered in the name of a certain Gaudencio T. Bocobo under Original Certificate of Title (OCT) No. 501 based on Free Patent No. 291532; (vi) Bocobo mortgaged the land covered by OCT No. 501 as security for a P500,000.00 loan from petitioner; and (vii) for failure of Bocobo to pay the loan, the mortgage was foreclosed and Transfer Certificate of Title (TCT) No. 19781 was issued in the name of petitioner. Respondents prayed, among others, that TCT No. 19781 be declared null and void and the subject property be reconveyed to them.[2]

In its Answer, petitioner averred that (i) in 1977, it issued a performance bond in favor of Gaudencio T. Bocobo which was secured by a real estate mortgage over a parcel of land covered by Free Patent No. 291532 with an area of 171,419 square meters located in Antipolo, Rizal; (ii) before petitioner conformed to the real estate mortgage, it

verified and examined Bocobo's title, which it found to be free from any suspicion; (iii) when Bocobo failed to pay his obligations, petitioner foreclosed the mortgage on the property and TCT No. 19781 was issued in its favor; and (iv) from 1977 up to the time of petitioner's receipt of the summons in the present complaint, no other person had claimed interest over the property.[3]

On November 20, 1996, the trial court directed respondents' counsel to submit a copy of the report of the relocation survey, which the parties agreed to be conducted on the subject property.[4] Respondents filed an Urgent Motion for Investigation Survey,[5] praying that the court issue an order directing the Lands Management Bureau (LMB) to conduct the required investigation survey. Consequently, the trial court issued an Order[6] dated March 25, 1997 directing the LMB to conduct a survey of the subject property and submit a report indicating the boundaries and the exact location of the property.

Engr. Romulo G. Unciano, Chief of Party, Antipolo Cadastre, was tasked to conduct the survey. He used the following as references:

- (LRC) Psd-221879 (TCT No. 478244) equivalent to Lot 1, Psu-159753 in the name of Alejandrina A. Tuzon;
- Lot 2, Psu-159753, as amended, in the name of Damaso Inocencio and Doroteo Garcia;
- Land Registration Decree No. 133611 covering Lot 1 & Lot 2, Psu-159755 in the name of Maximino Serranillo;
- Psu-153144 - Gaudencio T. Bocobo;
- Psu-153145 - Marcos Olan;
- Psu-153146 - Rodolfo Bautista;
- (LRC) Psd-257194 (OCT No. 852); and
- TCT No. N-19781 registered in the name of Pioneer Insurance and Surety Corp.[7]

The subject property being claimed by the respondents is that referred to as Lot 2 in Plan Psu-159753, while Lot 1 of the same survey plan [presently covered by Plan (LRC) Psd-221879] is in the name of Alejandrina A. Tuzon. Adjoining the subject property in the southeast are Lots 1 and 2 of Plan Psu-159755 in the name of Maximino Serranillo, et al., and in the southwest is the property of Julio Gatlabayan, covered by Plan F-53733 [(LRC) Psd-257194] and registered under OCT No. 852.[8]

On the other hand, Plan Psu-153144, in the name of Gaudencio T. Bocobo, covers the property as described in petitioner's title, TCT No. N-19781. Plans Psu-153145 and Psu-153146 are survey plans covering the alleged adjoining properties in the names of Marcos Olan and Rodolfo Bautista, respectively.[9]

In a Report on Relocation and Verification Survey[10] (hereinafter referred to as the Unciano Report) dated August 6, 1997, Engr. Unciano concluded that the property, described in Psu-153144 and TCT No. N-19781, is situated in Sitio Pinagbarilan, Barrio (Bo.) Malanday, San Mateo, Rizal and not in the vicinity of the subject property (Lot 2, Psu-159753), which is in Sitio Manungbian, Bo. San Juan, Antipolo.

After Engr. Unciano answered some clarificatory questions about the report, the parties agreed to constitute a commission of three geodetic engineers to conduct another ground verification of the property. Accordingly, the trial court issued an Order dated September 17, 1997, directing that such a commission be constituted to conduct a final ground verification survey, and appointing as its Chairman, Engr. Robert Pangyarihan, who was Chief of the Survey Division, Land Management Section, Department of Environment and Natural Resources.[11] The trial court likewise appointed Engr. Ponciano M. Miranda, representing respondents, and Engr. Rosario B. Mercado,

representing the petitioner, as the other two geodetic engineers to comprise the commission.

In addition to the references used by Engr. Unciano, the commission used the following materials:

- Joint Affidavit of Rodolfo Bautista and Marcos Olan, claimants of Psu-153146 and Psu-153145, respectively;
- Plan F-53733 in the name of Julio Gatlabayan;
- Lot 10257, Cad.29-Ext., Antipolo Cadastre;
- Municipal Index Map of San Mateo, Rizal; and
- Certification of location of Sapang Buaya by Brgy. Captain Simeon San Jose.[12]

In a Report on Verification Survey[13] (hereinafter referred to as the Pangyarihan Report) dated November 28, 1997 signed by Engr. Pangyarihan and Engr. Miranda, it likewise concluded that the property described in the petitioner's title is not located in the place where the subject property is located.

Engr. Rosario B. Mercado did not agree with the findings of his colleagues and opted to submit a separate survey report.[14] Using the tie lines indicated in the title, he concluded that a portion of the subject property overlapped the property described in petitioner's certificate of title.

On January 29, 2002, the RTC adopted the findings of the majority of the commission and rendered the following judgment:

WHEREFORE, judgment is hereby rendered recognizing Julian Coronado, Vicente Coronado, Simeon Coronado and Maura Coronado to be the legal heirs of Doroteo Garcia and confirming their ownership of the parcel of land covered by PSU 159753 and Tax Declaration marked as Exhibit "S" containing an area of 11.65 hectares.

On the other hand, the Court finds no necessity to declare null and void TCT No. N-19781 registered in the name of the defendant but the court makes a finding and so holds that the parcel of land described therein is not the same parcel of land claimed and owned by the Coronados.

SO ORDERED.[15]

On June 27, 2007, the CA affirmed the RTC Decision.[16] The CA likewise denied the petitioner's motion for reconsideration for lack of merit in the Resolution dated October 17, 2007.[17]

The issues raised in the petition

Petitioner raises the following issues:

THE COURT OF APPEALS GRAVELY ERRED IN AFFIRMING THE TRIAL COURT'S DECISION.

5.1 The lower court committed grave abuse of discretion in not dismissing respondents' complaint and disregarding the indefeasibility of [petitioner]'s Torrens title.

5.2 The lower court gravely erred in ruling that the [petitioner's] property is not located in Antipolo City, despite the clear indication of its location on the face of the Torrens title.

5.3 The lower court erred in not ruling that respondents' claim was barred by prescription and laches.

5.4 The lower court erred in not awarding damages and attorney's fees to [petitioner], despite the clear absence of a cause of action against [petitioner].[18]

The Court's ruling

Initially, we confront the issue of whether the action has prescribed, considering that several years have already passed since TCT No. N-19781 was issued, and petitioner's title has already become indefeasible and incontrovertible. The contention apparently lacks merit. The records reveal that the respondents have been in possession of the subject property since 1938. Jurisprudence abounds in holding that, if a person claiming to be the owner is in actual possession of the property, the right to seek reconveyance, which in effect seeks to quiet title to the property, does not prescribe.[19]

On the merits, petitioner argues that the trial court and the CA disregarded the indefeasibility of TCT No. N-19781 when it declared that the property covered by such title is situated in another place, and not where the subject property is located. Petitioner maintains that such pronouncement materially impaired the technical description of the property covered by its title, in clear derogation of the indefeasibility of the certificate of title. According to the petitioner, the technical description in the certificate of title and the statement therein that the location of the property is in the "Municipality of Antipolo" are a conclusive and unassailable determination of the location of the property that falls within the mantle of protection afforded by a Torrens title.

Factual findings are accorded not only great respect but also finality and are deemed binding upon the Court so long as they are supported by substantial evidence.[20] Sadly, this is not true in this case. We find that the conclusion of the trial court, as affirmed by the CA, that the property described in TCT No. N-19781 is not located in the place where the subject property is located lacks adequate basis.

Both the trial and appellate courts based their conclusions on the verification surveys finding that the property covered by the said title is located in another place. We note, however, that the surveys were conducted on the subject property only. Other than an ocular inspection, no survey was ever conducted on the area where the property covered by TCT No. N-19781 is allegedly located. Neither was there any effort to plot the tie lines indicated in its technical description. Consequently, the exact location of the property covered by the said certificate of title has not been established.

The verification reports show that the geodetic engineers, except for Engr. Mercado, concluded that the technical description in TCT No. N-19781 could not be plotted on the area where the subject property is located, on the ground that no reference points or corner monuments had been recovered from the purported adjoining properties. However, the fact that the property cannot be plotted on a certain area based on the technical description indicated in the certificate of title does not foreclose the possibility that there is simply an error in the technical description, or that it is only deficient. Unless the exact location of the property described in the certificate of title is determined, we cannot safely and definitively conclude that it is not located at a certain place.

Indubitably, a certificate of title serves as evidence of an indefeasible and incontrovertible title to the property in favor of the person whose name appears therein. The real purpose of the Torrens System of land registration is to quiet title to land and put stop forever to any question as to the legality of the title.[21]

It is true that both trial and appellate courts actually maintained the indefeasibility of the certificate of title and desisted from annulling or modifying the same. But by declaring that the property is not located in Antipolo City, the location stated in the certificate of title, they, in effect, modified the same to the prejudice of the petitioner. Worse, they did so based on incomplete information. Notably, in *Odsigue v. Court of Appeals*,[22] this Court, indeed, held that a certificate of title is conclusive evidence not only of ownership but also the location of the property.

For these reasons, we remand the case to the trial court for the determination of the exact location of the petitioner's property

WHEREFORE, premises considered, the Court of Appeals' Decision dated June 27, 2007 and Resolution dated October 17, 2007 are SET ASIDE. The case is REMANDED to the Regional Trial Court of Antipolo, Rizal, for further proceedings.

SO ORDERED.

Ynares-Santiago, (Chairperson), Carpio[*], Chico-Nazario, and Velasco, Jr., concur.

[*] Additional Member vice Justice Diosdado M. Peralta per Raffle dated August 3, 2009.

[1] Penned by Associate Justice Fernanda Lampas Peralta with Associate Justices Edgardo P. Cruz (retired) and Normandie B. Pizarro, concurring; rollo, pp. 48-63.

[2] Rollo, pp. 72-75.

[3] Records, pp. 25-27.

[4] Id. at 66.

[5] Id. at 75.

[6] Id. at 77.

[7] Records, p. 91.

[8] Id. at 93-94.

[9] Id. at 94

[10] Id. at 91-94.

[11] Id. at 146.

[12] Id. at 162.

[13] Id. at 162-166.

[14] Id. at 188-189.

[15] Rollo, p. 141.

[16] Id. at 63.

[17] Id. at 66.

[18] Id. at 24.

[19] David v. Malay, 376 Phil. 825, 837 (1999).

[20] Skippers United Pacific, Inc. v. National Labor Relations Commission, G.R. No. 148893, July 12, 2006, 494 SCRA 661, 667.

[21] Heirs of Brusas v. Court of Appeals, 372 Phil. 47, 54 (1999).

[22] G.R. No. 111179, July 4, 1994, 233 SCRA 626.

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