

**RUBEN C. CORPUZ, REPRESENTED BY ATTORNEY-IN-FACT
WENIFREDA C. AGULLANA, PETITIONER, VS. SPS. HILARION
AGUSTIN AND JUSTA AGUSTIN, RESPONDENTS.**

G.R. No. 183822. January 18, 2012

Ponente: SERENO, J.

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SERENO, J.:

This Petition for Review on Certiorari under Rule 45 of the Rules of Court assails the Decision[1] dated 08 January 2008 of the Court of Appeals (CA) in CA-G.R. SP No. 90645, which affirmed the Decision of the Regional Trial Court (RTC) of Laoag City and its Resolution[2] dated 15 July 2008 denying the Motion for Reconsideration. The RTC, in the exercise of its appellate jurisdiction, affirmed the Decision of the Municipal Trial Court (MTC) of Laoag City, which had dismissed the unlawful detainer case filed by herein petitioner.

The Factual Antecedents

The Court adopts the findings of fact of the CA as follows:

Ruben C. Corpuz (Ruben) filed a complaint for ejectment against Spouses Hilarion and Justa Agustin on the allegation that he is the registered owner of two parcels of land located in Santa Joaquina, Laoag City covered by TCT No. 12980 issued on October 29, 1976 by the Laoag City Register of Deeds and with technical descriptions as follows:

- 1) A parcel of land (Lot No. 20 of the Cadastral Survey of Laoag), with improvements thereon, situated in the barrio of Santa Joaquina, Municipality of Laoag. Bounded x x x containing an area of five thousand seven hundred and fifty nine (5,759) square meters more or less x x x.
- 2) A parcel of land (Lot No. 11711 of the Cadastral Survey of Laoag), with the improvements thereon, situated in the barrio of Santa Joaquina, Municipality of Laoag. Bounded x x x, containing an area of twenty thousand seven hundred and forty five (20,745) square meters, more or less x x x.

Aforesaid parcels of land were formerly owned by Elias Duldulao in whose name Original Certificate of Title No. O-1717 was issued. Duldulao sold said properties on August 27, 1951 to Francisco D. Corpuz, father of Ruben C. Corpuz. The elder Corpuz allowed spouses Agustin to occupy subject properties, the latter being relatives.

Despite demand to vacate, the Agustins refused to leave the premises.

Ruben alleged further that he has the better right to possess subject property having acquired the same from his father, Francisco, who executed a Deed of Quitclaim in his favor on March 15, 1971.

Spouses Agustin, in their Answer, interposed the defense that on June 5, 1971 Francisco Corpuz, Ruben's father, disposed of subject property by executing a Deed of Absolute Sale in their favor for a consideration of Eleven Thousand One Hundred Fifty Pesos (P11,150.00).

The Municipal Trial Court found for the spouses Agustin and dismissed the complaint.

In sum, considering the evidence of the defendants which shows that they entered into and occupied Lot No. 20 and the 9,657 sq. m. portion of Lot No. 11711 as buyers or owners, disproving the allegation of the plaintiff that defendants were merely allowed by Francisco Corpuz to occupy the subject properties, being his relatives, and considering further the length of time that the defendants have been in possession, as owners, of Lot No. 20 and the 9,657 sq. m. portion of Lot No. 11711, and have been continuously exercising their rights of ownership thereon, this court is of the view and holds, in so far as this case is concerned, that the defendants are the ones entitled to the possession of Lot No. 20 and the 9,657 sq. m. portion of Lot No. 11711.

WHEREFORE, premises considered, this case, is hereby dismissed.

SO ORDERED.

On appeal, Branch XVI, Regional Trial Court of Laoag City affirmed said dismissal, the dispositive portion of said decision states:

"WHEREFORE, premises considered, the Appeal is hereby DISMISSED for lack of merit and the JUDGMENT of the Municipal Trial Court in Cities, Branch 01, Laoag City is hereby AFFIRMED, with costs against the plaintiff-appellant.

SO ORDERED.[3]

Petitioner assailed the Decision of the RTC, affirming the earlier dismissal of the case by the MTC, by instituting an appeal with the CA. On 08 January 2008, the appellate court through its Fourteenth Division dismissed his appeal.[4] It noted that his father engaged in a double sale when he conveyed the disputed properties to petitioner and respondents. The Quitclaim executed by the elder Corpuz in favor of petitioner was dated 15 March 1971, while the Deed of Sale with respondents was later, on 15 June 1971; both documents were notarized shortly after their execution.[5] The Quitclaim, which was subsequently inscribed at the back of Original Certificate of Title (OCT) No. O-1717 on 29 October 1976,[6] resulted in the issuance of Transfer Certificate of Title (TCT) No. T-12980 in the name of petitioner. The Deed of Sale executed with respondents was, however, not annotated at the back of OCT No. O-1717 and remained unregistered.[7]

Based on the above findings, the CA ruled that petitioner had knowledge of the sale of the disputed real property executed between Francisco Corpuz, petitioner's father, and respondents. Due to this conveyance by the elder Corpuz to respondents, the latter's possession thereof was in the nature of ownership. Thus, in the context of an unlawful detainer case instituted by petitioner against respondents, the appellate court concluded that respondents' possession of the property was not by mere tolerance of its former owner - petitioner's father - but was in the exercise of ownership.[8]

The CA noted that petitioner had knowledge of his father's sale of the properties to respondents as early as 1973. However, despite knowledge of the sale, petitioner failed to initiate any action to annul it and oust respondents from the subject properties.[9] The appellate court rejected his contention that, as registered owner of the disputed properties, he had a better right to possession thereof, compared to the unregistered Deed of Sale relied upon by respondents in their defense of the same properties. The CA ruled that the inaction on his part despite knowledge of the sale in 1973 was equivalent to registration of respondents' unregistered deed.[10] In dismissing his appeal, the CA concluded that respondents' possession was "not ... anchored on mere tolerance nor on any of the grounds for forcible entry or unlawful detainer"; hence "the complaint for ejectment must fail." [11] The dispositive portion of the assailed Decision reads:

WHEREFORE, in view of the foregoing, the instant petition is hereby DISMISSED. The decision of Branch XVI, Regional Trial Court of Laoag City in Civil Case No. 13293-16 is hereby AFFIRMED.

SO ORDERED.[12]

The Issues

Petitioner assigns the following errors in this Petition for Review on Certiorari:

I. THE HONORABLE COURT of appeals seriously erred in failing to consider the legal ownership of petitioner on the disputed property to claim better right to possession.

II. THE HONORABLE COURT OF APPEALS SERIOUSLY ERRED IN THE APPRECIATION OF THE ALLEGED SALE IN FAVOR OF RESPONDENTS TO RULE THAT THEY HAVE BETTER RIGHT TO POSSESSION.

III. THE HONORABLE COURT OF APPEALS SERIOUSLY ERRED IN FAILING TO CONSIDER THE CASE OF JACINTO CO VS. MILITAR, ET AL. (421 SCRA 455) WHICH IS SIMILAR TO THE INSTANT CASE.

IV. THE HONORABLE COURT OF APPEALS SERIOUSLY ERRED IN DENYING THE PETITION FOR REVIEW RAISED BEFORE IT.[13]

Petitioner presents to this Court for resolution the core issue of his Petition: who between the parties has the right to possession of the disputed properties -- petitioner, who is the registered owner under TCT No. T-12980; or respondents, who have a notarized yet unregistered Deed of Absolute Sale over the same properties?

The Court's Ruling

We DENY the Petition.

Although this case does not present a novel question of law, there is a need to discuss the nature of an ejectment case for the recovery of physical possession in relation to the Torrens system. A resolution of the issue would be relevant to the determination of who has the better right to possession in this unlawful detainer case.

One of the three kinds of action for the recovery of possession of real property is "accion interdictal, or an ejectment proceeding ... which may be either that for forcible entry (detentacion) or unlawful detainer (desahucio), which is a summary action for the recovery of physical possession where the dispossession has not lasted for more than one year, and should be brought in the proper inferior court." [14] In ejectment proceedings, the courts resolve the basic question of who is entitled to physical possession of the premises, possession referring to possession de facto, and not possession de jure. [15]

Where the parties to an ejectment case raise the issue of ownership, the courts may pass upon that issue to determine who between the parties has the better right to possess the property. However, where the issue of ownership is inseparably linked to that of possession, adjudication of the ownership issue is not final and binding, but only for the purpose of resolving the issue of possession. The adjudication of the issue of ownership is only provisional, and not a bar to an action between the same parties involving title to the property. [16]

In the instant case, the position of respondents is that they are occupying the disputed properties as owners, having acquired these from petitioner's father through a Deed of Absolute Sale executed in 1971. Respondents believe that they cannot be dispossessed of the disputed properties, since they are the owners and are in actual possession thereof up to this date. Petitioner, however, rebuts this claim of ownership, contending that he has registered the disputed properties in his name and has been issued a land title under the Torrens system. He asserts that, having registered the properties in his name, he is the recognized owner and consequently has the better right to possession.

Indeed, a title issued under the Torrens system is entitled to all the attributes of property ownership, which

necessarily includes possession.[17] Petitioner is correct that as a Torrens title holder over the subject properties, he is the rightful owner and is entitled to possession thereof. However, the lower courts and the appellate court consistently found that possession of the disputed properties by respondents was in the nature of ownership, and not by mere tolerance of the elder Corpuz. In fact, they have been in continuous, open and notorious possession of the property for more than 30 years up to this day.

Petitioner cites *Jacinto Co v. Rizal Militar, et al.*,[18] which has facts and legal issues identical to those of the instant case. The petitioner therein filed an unlawful detainer case against the respondents over a disputed property. He had a Torrens title thereto, while the respondents as actual occupants of the property claimed ownership thereof based on their unregistered Deeds of Sale. The principal issue was who between the two parties had the better right to possess the subject property.

This Court resolved the issue by upholding the title holder as the one who had the better right to possession of the disputed property based on the following justification:

We have, time and again, held that the only issue for resolution in an unlawful detainer case is physical or material possession of the property involved, independent of any claim of ownership by any of the party litigants. Moreover, an ejectment suit is summary in nature and is not susceptible to circumvention by the simple expedient of asserting ownership over the property.

In forcible entry and unlawful detainer cases, even if the defendant raises the question of ownership in his pleadings and the question of possession cannot be resolved without deciding the issue of ownership, the lower courts and the Court of Appeals, nonetheless, have the undoubted competence to provisionally resolve the issue of ownership for the sole purpose of determining the issue of Possession.

Such decision, however, does not bind the title or affect the ownership of the land nor is conclusive of the facts therein found in a case between the same parties upon a different cause of action involving possession.

In the instant case, the evidence showed that as between the parties, it is the petitioner who has a Torrens Title to the property. Respondents merely showed their unregistered deeds of sale in support of their claims. The Metropolitan Trial Court correctly relied on the transfer certificate of title in the name of petitioner.

In *Tenio-Obsequio v. Court of Appeals*, it was held that the Torrens System was adopted in this country because it was believed to be the most effective measure to guarantee the integrity of land titles and to protect their indefeasibility once the claim of ownership is established and recognized.

It is settled that a Torrens Certificate of title is indefeasible and binding upon the whole world unless and until it has been nullified by a court of competent jurisdiction. Under existing statutory and decisional law, the power to pass upon the validity of such certificate of title at the first instance properly belongs to the Regional Trial Courts in a direct proceeding for cancellation of title.

As the registered owner, petitioner had a right to the possession of the property, which is one of the attributes of his ownership. Respondents' argument that petitioner is not an innocent purchaser for value and was guilty of bad faith in having the subject land registered in his name is a collateral attack on the title of petitioner, which is not allowed. A certificate of title cannot be subject to a collateral attack and can be altered, modified or cancelled only in a direct proceeding in accordance with law. [19]

The pronouncement in *Co v. Militar* was later reiterated in *Spouses Pascual v. Spouses Coronel*[20] and in *Spouses Barias v. Heirs of Bartolome Boneo, et al.*,[21] wherein we consistently held the age-old rule "that the person who has a Torrens Title over a land is entitled to possession thereof." [22]

However, we cannot lose sight of the fact that the present petitioner has instituted an unlawful detainer case against respondents. It is an established fact that for more than three decades, the latter have been in continuous

possession of the subject property, which, as such, is in the concept of ownership and not by mere tolerance of petitioner's father. Under these circumstances, petitioner cannot simply oust respondents from possession through the summary procedure of an ejectment proceeding.

Instructive on this matter is *Carbonilla v. Abiera*,^[23] which reads thus:

Without a doubt, the registered owner of real property is entitled to its possession. However, the owner cannot simply wrest possession thereof from whoever is in actual occupation of the property. To recover possession, he must resort to the proper judicial remedy and, once he chooses what action to file, he is required to satisfy the conditions necessary for such action to prosper.

In the present case, petitioner opted to file an ejectment case against respondents. Ejectment cases--forcible entry and unlawful detainer--are summary proceedings designed to provide expeditious means to protect actual possession or the right to possession of the property involved. The only question that the courts resolve in ejectment proceedings is: who is entitled to the physical possession of the premises, that is, to the possession de facto and not to the possession de jure. It does not even matter if a party's title to the property is questionable. For this reason, an ejectment case will not necessarily be decided in favor of one who has presented proof of ownership of the subject property. Key jurisdictional facts constitutive of the particular ejectment case filed must be averred in the complaint and sufficiently proven.

The statements in the complaint that respondents' possession of the building was by mere tolerance of petitioner clearly make out a case for unlawful detainer. Unlawful detainer involves the person's withholding from another of the possession of the real property to which the latter is entitled, after the expiration or termination of the former's right to hold possession under the contract, either expressed or implied.

A requisite for a valid cause of action in an unlawful detainer case is that possession must be originally lawful, and such possession must have turned unlawful only upon the expiration of the right to possess. It must be shown that the possession was initially lawful; hence, the basis of such lawful possession must be established. If, as in this case, the claim is that such possession is by mere tolerance of the plaintiff, the acts of tolerance must be proved. (Emphasis supplied.)

In this case, petitioner has not proven that respondents' continued possession of the subject properties was by mere tolerance of his father, except by a mere allegation thereof. In fact, petitioner has not established when respondents' possession of the properties became unlawful - a requisite for a valid cause of action in an unlawful detainer case.

In *Canlas v. Tubil*,^[24] we enumerated the elements that constitute the sufficiency of a complaint for unlawful detainer, as follows:

Well-settled is the rule that what determines the nature of the action as well as the court which has jurisdiction over the case are the allegations in the complaint. In ejectment cases, the complaint should embody such statement of facts as to bring the party clearly within the class of cases for which the statutes provide a remedy, as these proceedings are summary in nature. The complaint must show enough on its face to give the court jurisdiction without resort to parol evidence.

Unlawful detainer is an action to recover possession of real property from one who illegally withholds possession after the expiration or termination of his right to hold possession under any contract, express or implied. The possession of the defendant in unlawful detainer is originally legal but became illegal due to the expiration or termination of the right to possess.

An unlawful detainer proceeding is summary in nature, jurisdiction of which lies in the proper municipal trial court or metropolitan trial court. The action must be brought within one year from the date of last demand and the issue in said case is the right to physical possession.

... ..

In *Cabrera v. Getaruela*, the Court held that a complaint sufficiently alleges a cause of action for unlawful detainer if it recites the following:

- (1) initially, possession of property by the defendant was by contract with or by tolerance of the plaintiff;
- (2) eventually, such possession became illegal upon notice by plaintiff to defendant of the termination of the latter's right of possession;
- (3) thereafter, the defendant remained in possession of the property and deprived the plaintiff of the enjoyment thereof; and
- (4) within one year from the last demand on defendant to vacate the property, the plaintiff instituted the complaint for ejectment.

Based on the above, it is obvious that petitioner has not complied with the requirements sufficient to warrant the success of his unlawful detainer Complaint against respondents. The lower courts and the CA have consistently upheld the entitlement of respondents to continued possession of the subject properties, since their possession has been established as one in the concept of ownership. Thus, the courts correctly dismissed the unlawful detainer case of petitioner.

We concur in the appellate court's findings that petitioner's father engaged in a double sale of the disputed properties. The records of the case show that it took petitioner more or less five years from 1971 when he acquired the property from his father to 1976 when petitioner registered the conveyance and caused the issuance of the land title registered in his name under the Torrens system. Respondents, on the other hand, continued their possession of the properties, but without bothering to register them or to initiate any action to fortify their ownership.

We cannot, however, sustain the appellate court's conclusion that petitioner's failure to initiate any action to annul the sale to respondents and oust them from the disputed properties had the effect of registration of respondents' unregistered Deed of Absolute Sale. We held thus in *Ruiz, Sr. v. Court of Appeals* [25]:

(But) where a party has knowledge of a prior existing interest which is unregistered at that time he acquired a right to the same land, his knowledge of that prior unregistered interest has the effect of registration as to him. Knowledge of an unregistered sale is equivalent to registration. As held in *Fernandez v. Court of Appeals* [189 SCRA 780 (1990)],

Section 50 of Act No. 496 (now Sec. 51 of P.D. 1529), provides that the registration of the deed is the operative act to bind or affect the land insofar as third persons are concerned. But where the party has knowledge of a prior existing interest which is unregistered at the time he acquired a right to the same land, his knowledge of that prior unregistered interest has the effect of registration as to him. The Torrens system cannot be used as a shield for the commission of fraud (*Gustillo v. Maravilla*, 48 Phil. 442). [Emphasis supplied.]

In this case, the Quitclaim executed by the elder Corpuz in favor of petitioner was executed ahead of the Deed of Sale of respondents. Thus, the sale of the subject properties by petitioner's father to respondents cannot be considered as a prior interest at the time that petitioner came to know of the transaction.

We also note that, based on the records, respondents do not dispute the existence of TCT No. T-12980 registered in the name of petitioner. They allege, though, that the land title issued to him was an "act of fraud" [26] on his part. We find this argument to be equivalent to a collateral attack against the Torrens title of petitioner - an attack we cannot allow in the instant unlawful detainer case.

It is settled in jurisprudence that a Torrens certificate of title cannot be the subject of collateral attack.[27] Such attack must be direct and not by a collateral proceeding.[28] It is a well-established doctrine that the title represented by the certificate cannot be changed, altered, modified, enlarged, or diminished in a collateral proceeding.[29] Considering that this is an unlawful detainer case wherein the sole issue to be decided is possession de facto rather than possession de jure, a collateral attack by herein respondents on petitioner's title is proscribed.

Our ruling in the present case is only to resolve the issue of who has the better right to possession in relation to the issue of disputed ownership of the subject properties. Questions as to the validity of petitioner's Torrens title can be ventilated in a proper suit instituted to directly attack its validity, an issue that we cannot resolve definitively in this unlawful detainer case.

WHEREFORE, in view of the foregoing, we deny the instant Petition for lack of merit. The Decisions of the Court of Appeals in CA-G.R. SP No. 90645 (dated January 08, 2008), of the Regional Trial Court of Laoag City in Civil Case No. 3111-13293-65, as well as of the Municipal Trial Court of Laoag City in Civil Case No. 3111 -- all dismissing the unlawful detainer case of petitioner - are **AFFIRMED**.

We make no pronouncements as to attorney's fees for lack of evidence.

SO ORDERED.

Carpio, (Chairperson), Perez, Reyes, and Perlas-Bernabe, JJ.[*] concur.

[*] Designated as acting Member of the Second Division vice Associate Justice Arturo D. Brion per Special Order No. 1174 dated January 9, 2012.

[1] Penned by Associate Justice Arcangelita M. Romilla-Lontok and concurred in by then Associate Justice Mariano C. del Castillo and Associate Justice Romeo F. Barza.

[2] Rollo, p. 43.

[3] Rollo, pp. 36-38.

[4] Rollo, p. 36.

[5] CA rollo, p. 40.

[6] Id.

[7] Rollo, p. 88.

[8] Rollo, p. 40.

[9] Id.

[10] Id.

[11] Id. at 41.

[12] Id.

[13] Rollo, pp. 15-16.

[14] Florenz D. Regalado, Remedial Law Compendium I (7[th] rev. ed. 2007).

- [15] David v. Cordova, 502 Phil. 626 (2005).
- [16] Rivera v. Rivera, 453 Phil. 404, 412 (2003) as cited in Urieta vda. de Aguilar v. Alfaro, G.R. No. 164402, 05 July 2010, 623 SCRA 130.
- [17] Vicente v. Avera, G.R. no. 169970, 20 January 2009, 576 SCRA 634.
- [18] G..R. No. 149912, 29 January 2004, 421 SCRA 455.
- [19] Supra, citing Estrellita S.J. vda. de Villanueva v. Court of Appeals and Lina F. vda. de Santiago, G.R. No. 117971, 1 February 2001, 351 SCRA 12; citing Noblejas and Noblejas, Land Titles and Deeds, 210 (1992); citing Ching v. Court of Appeals, 181 SCRA 9 (1990). (Ching v. Court of Appeals was erroneously cited as G.R. Nos. 59568-76 in the original Decision in Co v. Militar).
- [20] G.R. No. 159292, 12 July 2007, 527 SCRA 474.
- [21] G.R. No. 166941, 14 December 2009, 608 SCRA 169.
- [22] Id.
- [23] G.R. No. 177637, 26 July 2010, 625 SCRA 461.
- [24] G.R. No. 184285, 25 September 2009, 601 SCRA 147.
- [25] 414 Phil. 311, 323 (2001).
- [26] Rollo, p. 291.
- [27] Spouses Marcos R. Esmaguél and Victoria Sordevilla v. Maria Coprada, G.R. No. 152423, 15 December 2010.
- [28] Borbajo v. Hidden View Homeowners, Inc., G.R. No. 152440, 31 January 2005, 450 SCRA 315.
- [29] Legarda and Prieto v. Saleeby, 31 Phil. 590 (1915); Magay v. Estiandan, G.R. No. L-28975, 27 February 1976; 69 SCRA 456 as cited in Pena, Pena, Jr. & Pena, Registration of Land Titles and Deeds (2008).

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