

SPOUSES FREDESWINDA DRILON YBIOSA AND ALFREDO YBIOSA, PETITIONERS, V. INOCENCIO DRILON, RESPONDENT.

G.R. No. 212866. April 23, 2018

Ponente: DEL CASTILLO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-212866/>

DEL CASTILLO, J.:

This Petition for Review on Certiorari[1] assails the August 23, 2012 Decision[2] and May 14, 2014 Resolution[3] of the Court of Appeals (CA) partially granting the respondent's appeal in CA-G.R. CV No. 01729 and denying herein petitioners' Motion for Reconsideration.[4]

Factual Antecedents

As found by the CA, the facts of the case are as follows:

In his complaint[5] for 'Annulment of Deed of Absolute Sale, Original Certificate of Title and Damages' filed on 11 July 1997, plaintiff Inocencio[6] alleged that he is the owner of the subject property after he purchased the same from the late Gabriel Drilon as evidenced by the receipts. He further alleged that defendant Eustaquia Eumague Drilon connived with co-defendants, Spouses Fredeswinda Drilon Ybiosa and Alfredo Ybiosa,[7] in effecting a deed of sale in favor of the said spouses where the signature of the late Gabriel Drilon was written by another person. He added that the late Gabriel Drilon could not have signed the said Deed in 1992 as he was already old and sickly as shown by the fact that when he signed another document denominated as Affidavit of Consent on 03 January 1992, his signature thereon showed signs of difficulty. This difficulty is shown further on the other documents which Gabriel Drilon executed later, such as an Affidavit dated 04 August 1982, Notice of Appeal dated 22 September 1988, and Answer with Counterclaim, Etc. dated 31 July 1991, among others.

Plaintiff Inocencio prayed that the deed of sale be annulled, that the Original Certificate of Title No. 7266, Certificate of Land Ownership Award No. 00113116 covering the subject lot issued by the Register of Deeds for Negros Oriental on 30 June 1995, be canceled as this was issued on the strength of the questioned deed of sale.

That he exerted earnest efforts to settle amicably since they all belong to the same family but defendants refused to appear for conciliation and continued to be adamant about it. After failing to bring the defendants to the negotiation table, he sought the intervention of the Lupong Pambarangay but still failed. Hence, the issuance of a Certification to file action issued by the Barangay Captain of Barangay Ajong, Sibulan.

Plaintiff Inocencio averred that he suffered sleepless nights an[d] serious anxieties due to the unjustified refusal of defendant Eustaquia to execute the deed of conveyance in her favor, thus award of P200,000.00, as and for moral damages is proper. Moreover, to teach defendants a lesson and to deter them and others from doing similar acts in the future, they should be condemned to pay exemplary damages in the amount of P50,000.00. Finally, as he was compelled to litigate, defendants should, likewise, pay him attorney's fees of P15,000.00 plus cost of litigation in the amount of P10,000.00.

In their Answer,[8] defendants Eustaquia and Spouses Fredeswinda and Alfredo Ybiosa (hereafter

defendant-[s]pouses) denied the material allegations in the complaint, maintaining that the questioned Deed of Absolute Sale executed in favor of defendant-spouses was executed freely and voluntarily by the late Gabriel Drilon and defendant Eustaquia; and that plaintiff Inocencio has long known about this sale and did not contest the same. That it is not true that plaintiff Inocencio purchased the subject property, in fact, this allegation of payment is a mere afterthought, made only after the death of Gabriel Drilon.

For their defense, defendants insisted that plaintiff Inocencio has no cause of action against them and that the instant action has long been barred by prescription and laches; and that the trial court acquired no jurisdiction over the subject matter of the case.

By way of counterclaim, defendants alleged that as a result of plaintiff Inocencio's filing of this baseless suit, they suffered sleepless nights, wounded feelings and anxieties, thus, justifying the award of moral damages in the amount of P60,000.00. They further ask payment of the following sums: P5,000.00, as and for actual damages, and P10,000.00 and P15,000.00, as and for attorney's fees and litigation expenses, respectively.

Trial proceeded in due time, with the presentation by the parties of their evidence, both testimonial and documentary.[9]

Ruling of the Regional Trial Court

On August 29, 2006, the Dumaguete City Regional Trial Court (RTC), Branch 40 issued its Decision[10] in Civil Case No. 11985, which contains the following pronouncement:

The plaintiff prays for the annulment of Original Certificate of Title No. 7266 alleging that Lot No[.] 3667 covered by the title is not an agricultural land but a residential lot thereby beyond the coverage of the Comprehensive Agrarian Reform.

Indeed, Original Certificate of Title was issued pursuant to Certificate of Land Ownership Award No. 00113116 of the Department of Agrarian Reform.

Under this circumstance, this court does not have jurisdiction to annul a Certificate of Land Ownership Award. The Department of Agrarian Refonn Adjudication Board (DARAB) has jurisdiction over those involving the correction, partition, cancellation, secondary and subsequent issuances of Certificates of Land Ownership Awards (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority (Section 1, Rule II of the DARAB New Rules of Procedure; CENTENO V. CENTENO, G.R. No. 140825, October 13, 2000.)

The second issue involves the genuineness of the signature of Gabriel Drilon on Exhibit "I" which is the Deed of Absolute Sale of Lot 3667 in favor of Fredeswindia Ybiososa. This document is assailed because the signature and residence certificate of Gabriel Drilon was [sic] falsified.

On the signature, Adelia Cruz Demetillo, Senior Document Examiner of the National Bureau of Investigation, categorically testified that the signature of Gabriel Drilon on Exhibit "I" was not written by the same person identified in earlier documents showing the signature of Gabriel Drilon.

x x x x

An examination of Exhibit "I" will bear out this fact. Likewise, when Exhibit "I" is compared to Exhibit "7" (the original of Exhibit "I"), there is a marked difference in the manner the signatures of Gabriel Drilon were made. While the signature on Exhibit "7" appears to be squiggly, the signature on Exhibit "I" is firm. Yet, these documents are identical in all other respects. The signature of Eustaquia Eumague and the witnesses are likewise identical in both documents.

The conclusion of the National Bureau of Investigation and an examination of both documents lend to the conclusion that there are badges of fraud on Exhibit "I" and "7" sufficient to warrant the nullification of these

document [sic].

Finally, the plaintiff prays that a new Original certificate of Title over Lot 3667 be issued him. As proof that he bought the property and has a superior right to the same, he offered in evidence three receipts (Exhibits "D" to "F") purporting to be receipts issued by Gabriel Drilon having received installment payments for the sale of Lot No. 3667. While issued during the period from 1990 to 1991, it would seem that the paper is one of more recent vintage and appear to be recently issued than that of the Deed of Absolute Sale (Exhibit "I"). Moreover, these receipts appear to have been executed near and or about the same time to each other.

However, the more important fact is that only Gabriel Drilon signed these receipts.

The evidence on record, however shows that Lot 3667 is a conjugal property of Gabriel Drilon and Eustaquia Eumague, which they bought from Maximiana Alviola in July 1980. In fact Eustaquia Eumague have [sic] been paying taxes on the property registered in their names. In this instance, since the property was acquired during the coverture of Gabriel Drilon and Eustaquia Eumague, then it forms part of the conjugal partnership of gains.

xxxx

Granting that there was a sale of Lot 3667 to the plaintiff, there is a marked absence of consent on the part of Eustaquia Eumague Drilon, Gabriel Drilon's wife. Consequently, the disposition is void but the transaction shall be construed as a continuing offer and may be perfected upon acceptance by the other spouse.

Thus, the plaintiff cannot claim a better right over the property as against Gabriel Drilon's widow. Having no better right, the plaintiff cannot claim any injury as to warrant an award of damages.

WHEREFORE, premises considered, judgment is rendered as follows:

1. The Deeds of Absolute Sale (Exhibits "I" and "7") are declared Void due to badges of fraud and defendant Fredeswinda Ybiosa is directed to hold Lot 3667 in trust for Eustaquia Eumague and the heirs of Gabriel Drilon;
2. The oral sale of Lot 3667 in favor of the plaintiff is declared Void as it is contrary to Article 124 of the Family Code;
3. The respective claims for damages, not having been adequately established are Dismissed.

SO ORDERED.[11]

Ruling of the Court of Appeals

Both petitioners and the respondent interposed their respective appeals before the CA, docketed as CA-G.R. CV No. 01729.

On August 23, 2012, the CA issued the assailed Decision, decreeing as follows:

WHEREFORE, the partial appeal is partially GRANTED, the Decision dated 29 August 2006, of the Regional Trial Court, 7th Judicial Region, Branch 40 of Dumaguete City, in Civil Case No. 11985 is hereby SET ASIDE and new one is rendered to read as follows, to wit:

- The Deed of Absolute Sale dated 28 February 1992 (Exhibit[s] "I" and "7") executed in favor of Fredeswinda Drilon Ybiosa, married to Alfredo Ybiosa, is declared void.
- The sale of Lot 3667 in favor of plaintiff-appellant Inocencio is declared valid and subsisting. He is, however, DIRECTED to pay the balance of P4,200,00, plus legal interest of six percent (6%) per annum to commence in 1991, within fifteen (15) days from receipt hereof.

- The respective claims for damages, not having been adequately established are DISMISSED.

SO ORDERED.[12]

The CA ruled that Gabriel Drilon's (Gabriel) signature in the deed of sale executed in petitioners' favor was a forgery, and that the sale by Gabriel in respondent's favor was duly proved. On a final note, the appellate court held that -

It would be well to stress that it is only the Department of Agrarian Reform (DAR) that can cancel Original Certificate of Title No. 726. [sic] (CLOA No. 00113116). 'The cases involving the issuance, correction and cancellation of the CLOAs by the DAR in the administrative implementation of agrarian reform laws, rules and regulations to parties who are not agricultural tenants or lessees are within the jurisdiction of the DAR and not of the DARAB.'[13] (Citation omitted)

Petitioners moved to reconsider, but in a May 14, 2014 Resolution, the CA held its ground. Hence, the present Petition.

Issues

Petitioners submit the following legal issues to be resolved;

- WHETHER THE HONORABLE COURT OF APPEALS ERRED IN NOT DECLARING THAT THE COURT HAS NO JURISDICTION OVER THE CASE, AND THUS, ALL PROCEEDINGS THEREIN ARE NULL AND VOID.

- WHETHER THE HONORABLE COURT OF APPEALS ERRED IN NOT DECLARING THE ACTION OF PLAINTIFF-APPELLANT (RESPONDENT) FOR ANNULMENT OF DEED OF SALE AS HAVING PRESCRIBED.

- WHETHER x x x THE HONORABLE COURT OF APPEALS ERRED IN DECLARING THE DEED OF SALE DATED FEBRUARY 28, 1992 OF DEFENDANT-APPELLANT (PETITIONERS) AS VOID.

- WHETHER x x x THE HONORABLE COURT OF APPEALS ERRED IN CONCLUDING THAT THERE IS [A] PERFECTED SALE BETWEEN GABRIEL DRILON AND INOCENCIO DRILON OVER A PORTION [OF] LOT 3667 BY REASON OF ORDINARY RECEIPTS.[14]

Petitioners' Arguments

In their Petition and Reply,[15] petitioners pray that this Court 1) set aside the assailed CA dispositions, 2) declare as valid the February 28, 1992 deed of sale in their favor, and 3) dismiss Civil Case No. 11985. They argue that Civil Case No. 11985 is an action for cancellation of CLOA No. 00113116, from which Original Certificate of Title No. 7266 was derived - in which case the Department of Agrarian Reform (DAR) - and not the RTC - has jurisdiction. They add that the RTC had no jurisdiction over the case for failure of respondent to allege the assessed value of the subject property in his complaint.

Petitioners further argue that respondent's action has prescribed, and that there is actually no sale between respondent and Gabriel covering the subject property.

Finally, petitioners argue that contrary to the findings of the RTC and CA, the February 28, 1992 deed of sale in their favor has been proved to be valid and subsisting, and not mere forgery or fabrication.

Respondent's Arguments

Respondent, in his Comment,[16] submits that petitioners are adopting inconsistent positions; that the issue of

prescription is being raised for the first time in these proceedings; that the CA did not err when it voided the February 28, 1992 deed of sale in petitioners' favor; and that he was able to competently prove the validity of the sale in his favor. Thus, he prays for the denial of the instant Petition.

Our Ruling

The Petition is granted.

The subject property was originally an unregistered land, meaning it is public land owned by the State. It is presumed to belong to the State, and not privately owned by Gabriel. Thus, any sale made by Gabriel covering the subject property - whether to petitioners or respondent - is considered null and void unless the contrary is proved, on the principle that one cannot sell or dispose what he does not own. This is underscored by the fact that petitioners were able to obtain a CLOA over the subject property - and, later on, an original certificate of title in their favor.

For the above reasons, the RTC had no jurisdiction over Civil Case No. 11985, as it primarily seeks to cancel the CLOA and certificate of title issued to petitioners. Under the 1994 DARAB Rules of Procedure, which were in force at the time,

RULE II - Jurisdiction Of The Adjudication Board

SECTION 1. Primary And Exclusive Original and Appellate Jurisdiction. The Board shall have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under Republic Act No. 6657, Executive Order Nos. 228, 229, and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations. Specifically, such jurisdiction shall include but not be limited to cases involving the following:

x x x x'

f) Those involving the issuance, correction and cancellation of Certificates of Land Ownership Award (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority;

x x x x

g) Those cases previously falling under the original and exclusive jurisdiction of the defunct Court of Agrarian Relations under Section 12 of Presidential Decree No. 946, except sub-paragraph (q) thereof and Presidential Decree No. 815.

It is understood that the aforementioned cases, complaints or petitions were filed with the DARAB after August 29, 1987.

Matters involving strictly the administrative implementation of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL) of 1988 and other agrarian laws as enunciated by pertinent rules shall be the exclusive prerogative of and cognizable by the Secretary of the DAR.

In *Heirs of Santiago Nisperos v. Nisperos-Ducusin*,^[17] this Court held that -

The complaint should have been lodged with the Office of the DAR Secretary and not with the DARAB.

Section 1, Rule II of the 1994 DARAB Rules of Procedure, the rule in force at the time of the filing of the complaint by petitioners in 2001, provides:

SECTION 1. Primary and Exclusive Original and Appellate Jurisdiction. The Board shall have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes involving

the implementation of the Comprehensive Agrarian Reform Program (CARP) under Republic Act No. 6657, Executive Order Nos. 228, 229 and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations. Specifically, such jurisdiction shall include but not be limited to cases involving the following:

xxxx

f) Those involving the issuance, correction and cancellation of Certificates of Land Ownership Award (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority;

xxxx

However, it is not enough that the controversy involves the cancellation of a CLOA registered with the Land Registration Authority for the DARAB to have jurisdiction. What is of primordial consideration is the existence of an agrarian dispute between the parties.

Section 3(d) of R.A. No. 6657 defines an agrarian dispute as 'any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship or otherwise, over lands devoted to agriculture, including disputes concerning farmworkers' associations or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of such tenurial arrangements' and includes 'any controversy relating to compensation of lands acquired under' this Act and other terms and conditions of transfer of ownership from landowners to farmworkers, tenants and other agrarian reform beneficiaries, whether the disputants stand in the proximate relation of farm operator and beneficiary, landowner and tenant, or lessor and lessee.'

Thus, in *Morta, Sr. v. Occidental*, this Court held that there must be a tenancy relationship between the parties for the DARAB to have jurisdiction over a case. It is essential to establish all of the following indispensable elements, to wit: (1) that the parties are the landowner and the tenant or agricultural lessee; (2) that the subject matter of the relationship is an agricultural land; (3) that there is consent between the parties to the relationship; (4) that the purpose of the relationship is to bring about agricultural production; (5) that there is personal cultivation on the part of the tenant or agricultural lessee; and (6) that the harvest is shared between the landowner and the tenant or agricultural lessee.

xxxx

Considering that the allegations in the complaint negate the existence of an agrarian dispute among the parties, the DARAB is bereft of jurisdiction to take cognizance of the same as it is the DAR Secretary who has authority to resolve the dispute raised by petitioners. As held in *Heirs of Julian dela Cruz v. Heirs of Alberto Cruz*:

The Court agrees with the petitioners' contention that, under Section 2(f), Rule II of the DARAB Rules of Procedure, the DARAB has jurisdiction over cases involving the issuance, correction and cancellation of CLOAs which were registered with the LRA. However, for the DARAB to have jurisdiction in such cases, they must relate to an agrarian dispute between landowner and tenants to whom CLOAs have been issued by the DAR Secretary. The cases involving the issuance, correction and cancellation of the CLOAs by the DAR in the administrative implementation of agrarian reform laws, rules and regulations to parties who are not agricultural tenants or lessees are within the jurisdiction of the DAR and not of the DARAB.

What the PARAD should have done is to refer the complaint to the proper office as mandated by Section 4 of DAR Administrative Order No. 6, Series of 2000:

SEC. 4. Referral of Cases.- If a case covered by Section 2 herein is filed before the DARAB, the concerned DARAB official shall refer the case to the proper DAR office for appropriate action within five (5) days after said case is determined to be within the jurisdiction of the Secretary. x x x (Citations omitted)

Thus, it is the DAR Secretary who had jurisdiction over the instant case for cancellation of petitioners' CLOA and certificate of title; respondent should have filed his case against petitioners before the said office, and not the RTC. To this day, this very same procedure is applicable, pursuant to the more recent 2009 DARAB Rules of Procedure; Section 9 of Republic Act No. 9700, or the CARPER Law;^[18] and DAR Administrative Order No. 3, series of 2009.^[19] Thus, by law and administrative regulation, the RTC had no jurisdiction over respondent's cause of action.

With the above disquisition, the proceedings in the RTC and the dispositions therein are rendered null and void. The CA's pronouncements are likewise set aside and annulled for being patently erroneous. Having said that it is only the DAR that can cancel the CLOA and title of petitioners, it should not have proceeded to rule on the question of ownership - for the simple reason that all proceedings before the RTC, including the trial and reception of evidence, are deemed null and void; there is no evidence upon which to base its judgment. Such issue should be threshed out in the appropriate venue and proceedings.

WHEREFORE, the Petition is PARTIALLY GRANTED. The assailed August 23, 2012 Decision and May 14, 2014 Resolution of the Court of Appeals in CA-G.R. CV No. 01729 are ANNULLED and SET ASIDE. Civil Case No. 11985 is ordered DISMISSED FOR LACK OF JURISDICTION, AND ALL PROCEEDINGS TAKEN THEREIN ARE DECLARED NULL AND VOID AND OF NO EFFECT.

SO ORDERED.

Leonardo-De Castro,[*] Jardeleza, and Tijam, JJ., concur.
Sereno, C.J., on leave.

[*] Designated as Acting Chairperson per Special Order No. 2540 dated February 28, 2018.

[1] Rollo, pp. 3-16.

[2] Id. at 18-40; penned by Associate Justice Gabriel T. Ingles and concurred in by Associate Justices Pampio A. Abarintos and Melchor Q.C. Sadang.

[3] Id. at 46-48; penned by Associate Justice Gabriel T. Ingles and concurred in by Associate Justices Ramon Paul L. Hernando and Marilyn B. Lagura-Yap.

[4] Id. at 41-45.

[5] Id. at 111-117; docketed as Civil Case No. 11985.

[6] Herein respondent, Inocencio Drilon.

[7] Herein petitioners.

[8] Rollo, pp. 118-121.

[9] Rollo, pp. 19-20.

[10] Id. at 132-137; penned by Presiding Judge Gerardo A. Paguio, Jr.

[11] Id. at 134-136.

[12] Id. at 39-40.

[13] Id. at 39.

[14] Id. at 7-8.

[15] Id. at 264-267.

[16] Id. at 251-255; captioned as Compliance/Comments to the Petition.

[17] 715 Phil. 601, 700-703 (2013).

[18] Which took effect on July 1, 2009. It provides, as follows:

Section 9. Section 24 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

"SEC. 24. Award to Beneficiaries. - x x x x

"All cases involving the cancellation of registered emancipation patents, certificates of land ownership award, and other titles issued under any agrarian reform program are within the exclusive and original jurisdiction of the Secretary of the DAR."

[19] RULES AND PROCEDURES GOVERNING THE CANCELLATION OF REGISTERED CERTIFICATES OF LAND OWNERSHIP AWARDS (CLOAs), EMANCIPATION PATENTS (EPs), AND OTHER TITLES ISSUED UNDER ANY AGRARIAN REFORM PROGRAM

PREFATORY STATEMENT

xxxx

Pursuant to Section 9, fourth paragraph of RA No. 9700, the cancellation of the registered EPs, CLOAs and other titles issued under any agrarian reform program are within the exclusive and original jurisdiction of the Secretary of DAR.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.