

THE ROMAN CATHOLIC BISHOP OF NUEVA CACERES, A CORPORATION SOLE, PLAINTIFF AND APPELLANT, VS. THE MUNICIPALITY OF TABACO, PROVINCE OF ALBAY, DEFENDANT AND APPELLEE.

G.R. No. 21671. September 29, 1924

Ponente: JOHNSON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-21671/>

JOHNSON, J.:

This action was commenced in the Court of First Instance of the Province of Camarines Sur on the 23d day of December, 1920. Its purpose was to recover the value of three parcels of land with the improvements thereon, which are particularly described in paragraph 3 of the complaint. The complaint alleged that the value of the property amounted to P5,000. The plaintiff prayed for a judgment for that amount together with legal interest and costs.

The defendant interposed a demurrer to the complaint, alleging that the facts stated were not sufficient to constitute a cause of action. The reason given in support of the demurrer is, that the facts stated in the petition show that the defendant is the owner of said parcels of land by virtue of a certificate of title under the Torrens system of land registration. The demurrer was overruled and the defendant answered. In its answer it denied each and every allegation of the complaint, and alleged as a special defense that it was the owner of the three parcels of land in question and prayed that it be absolved from all liability under the complaint.

Upon the issue thus presented by the petition and answer the Honorable Pedro Tuason, after hearing the respective parties, denied the prayer of the petition and absolved the defendant from all liability under the complaint, without any finding as to costs. From that judgment the plaintiff appealed.

Considering the facts of record, in relation with the assignments of error, it appears that the appeal presents but one question. It is: May the real owner, in fee simple, of land who has lost his title by reason of the granting Bishop of Nueva Caceres vs. Municipality of Tabaco of a certificate of title to another under the Torrens system of land registration, recover from the latter the value of the land thus lost?

The undisputed facts may be briefly stated as follows:

- (1) The three parcels of land are situated within the municipality of Tabaco, Province of Albay, and belonged to and had been in the possession of the Holy Roman Catholic Church from time immemorial; that there was constructed on each of said lots a chapel, which had been used regularly by the plaintiff for religious purposes for many years.
- (2) That the municipality of Tabaco in the year 1910 filed an application for the registration of said parcels of land; that notices were issued and posted in the ordinary form, personally mentioning, among the persons notified, the Parish Priest of said municipality, and Kincaid & Hartigan, attorneys for the Holy Roman Catholic Church.

(3) That the law firm of Manly, Goddard & Lockwood, and not the law firm of Kincaid & Hartigan, were the attorneys, in legal matters, of the Bishop of the Diocese in which the municipality of Tabaco is located.

(4) That no opposition was presented by anyone to the application for the registration of said three parcels of land; that a decree for the registration of said three parcels of land and a certificate were finally issued to the municipality of Tabaco.

(5) That neither the plaintiff herein nor its agents had any knowledge or information concerning the issuance of said certificate until after the expiration of more than one year from the date of said decree.

From the foregoing, two facts stand out prominently:

(a) That the plaintiff was the owner of the three parcels of land together with the buildings thereon and had used the same for religious worship for an immemorial period; and (b) that the defendant is now the owner and became such by virtue of a decree of the land court and by the lapse of twelve months' time.

There is no pretension that the defendant purchased, or paid, or promised to pay the plaintiff for the land in question. Does the fact that the plaintiff did not defend its title in the land registration proceedings deprive it of its right to recover the value? The defendant was not the owner but became the owner simply by obtaining a certificate of title under the Torrens system. The defendant has been enriched, therefore, by appropriating the property of the plaintiff. It is difficult to believe that the defendant could, by any possibility, be ignorant of the fact that the plaintiff, which had occupied the property for an immemorial period and had used the same for religious purposes, was the owner.

The only defense presented by the defendant is, (a) that it is now the owner of said three parcels of land by virtue of the certificate of title issued to it under the Torrens system, and (b) for that reason is under no obligation to pay the former owner its value. The first defense is tenable. The defendant is now, by virtue of the certificate of title and the lapse of twelve months, the absolute and indefeasible owner of said parcels of land. The very purpose of the system of land registration under the Torrens system was to create an indefeasible title in the holder of the certificate. It was intended by the system of land registration, known as the Torrens system, to free the land from all claims and liens of whatever character, which existed against the land prior to the issuance of the certificate of title, except those which are noted upon the certificate of title and certain other liens specially mentioned in the law, such as taxes, etc.

But, was it the intention of the framers of the Torrens system of land registration that it should be extended to a case where one person had obtained a certificate of title to the land of another, without answering in damages to the other for the value of the land so appropriated? We do not believe that such a conclusion was within the contemplation of the framers of the law. While the judicial decree after the lapse of twelve months in this jurisdiction deprives the former owner of his land absolutely, it was not, in our opinion, the intention of the law makers to thus deprive him of the value of his property. The owner of property has a perfect right to rest securely upon his title in fee simple, once acquired, without fear of being deprived of the ownership thereof by a judicial decree or otherwise; and when he has been, he may feel assured that the courts will afford him an opportunity to recover the value of his property in an action brought for that purpose, unless and until, by the lapse of time under the law of prescription or limitation, he has permitted his claim to be lost forever. The lapse of twelve months mentioned in said section 38 of Act No. 496 only prescribes an action for the recovery of the land. It does not, however, prescribe an action for the recovery of the value thereof. The prescription of action to recover the value of property wrongfully appropriated is governed by the laws limiting actions.

The lower court held that the plaintiff could not recover damages for the loss of its land, first, for the reason that

its action was barred by the lapse of twelve months under section 38 of Act No. 496; and, second, that it could not recover under the provisions of sections 101 and 102 of said Act for the reason that said provisions refer to unlawful registration, through omission, mistake, or misfeasance of the clerk, register of deeds, examiner of titles, and any deputy or clerk of the register of deeds, or through fraud or unlawful acts of some private person, by means of or through which such unlawful registration was made. The lower court, however, overlooked the provisions contained in sections 55 and 102 which give the owner, who has lost his land through either fraud or constructive fraud, a remedy against the parties to said fraud. If the holder of the certificate had reason to believe, in good faith, that he was the owner in fee simple at the time he filed his petition, then the lapse of twelve months gives him an absolute title, free from all liability for damages. But it is difficult to believe that the petitioner could have acted in good faith when at the time he presented his petition, the three parcels of land were and had been in the possession and actual use of another for an immemorial period, with edifices upon the same which had been used and occupied for religious purposes by the plaintiff. Fraud or constructive fraud is the basis of actions like the present. (*De la Cruz vs. Fabie*, 35 Phil., 144.)

Thus, it is seen that the Torrens system in vogue in the Philippine Islands (Act No. 496) expressly reserves to the person who has been fraudulently deprived of his land, the right to maintain an action against the parties to such fraud, for a recovery of damages. The right to maintain an action like the present, in this jurisdiction, has been expressly recognized by this court in the case of *Manotoc vs. Choco* ([1912], 30 Phil., 628) in a very well reasoned opinion written by the late Chief Justice Cayetano Arellano. The right to maintain actions like the present has also been recognized in other jurisdictions. (*Australian Torrens System*, by Hogg, pp. 847-859.) If we desire further authority in justification of the right of the plaintiff to maintain the present action for damages, we might cite article 1902 of the Civil Code which provides that "any person who by an act or omission causes damage to another by his fault or negligence shall be liable for the damage so done."

Having decided that the plaintiff is entitled to maintain the present action for the value of the land of which it has been deprived by the defendant, we proceed to a consideration of the question of the amount of damages which it is entitled to recover. In the first place, we are of the opinion and so decide that it is entitled to recover the value of the land as of the date when it was alleged to have been deprived of the same, together with interest at the legal rate from that date, which date should be counted from the expiration of the twelve months mentioned in section 38 of Act No. 496. In the second place, after an examination of the evidence adduced during the trial, we are unable to reach a satisfactory conclusion as to the value of the three parcels of land together with their improvements. The attorney for the appellant admits that the stenographic notes are not reliable upon that question.

Therefore, and for that reason, the cause is remanded to the court whence it came, with direction that the court permit the plaintiff to present such additional proof as it may desire, relating to the value of the land in question and the improvements thereon at the time of the unlawful appropriation by the defendant; and also to permit the defendant to present such additional proof in rebuttal, as it may have upon that question. And without any finding as to costs, it is so ordered.

Street, Avanceña, Malcolm, Ostrand, and Romualdez, JJ., concur.

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.