

**LIGAYA O. ANCHETA AND LITO O. ANCHETA, PETITIONERS, VS.
HEIRS OF JOAQUIN L. MAYPA AND ROSARIO N. MAYPA,
REPRESENTED BY DR. NATIVIDAD MAYPA-ESCOVILLA,
RESPONDENTS.**

G.R. No. 239722, December 03, 2025

Ponente: INTING, J.

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INTING, J.:

Before the Court is a Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court, seeking to annul the Decision[2] dated June 29, 2017, of the Court of Appeals (CA) in CA-G.R. CV No. 03961-MIN. The CA denied the Appeal filed by Ligaya O. Ancheta (Ligaya) and Lito O. Ancheta (Lito) (collectively, petitioners). Likewise assailed is the CA's Resolution[3] dated April 25, 2018, that denied petitioners' Motion for Reconsideration.

The Antecedents

The heirs of Joaquin L. Maypa and Rosario N. Maypa (Rosario), namely, Dr. Natividad Maypa-Escovilla (Natividad), Corazon Maypa Fernandez, and Jesusita Maypa Chiong (Jesusita)[4] (collectively, respondents), alleged that they discovered Transfer Certificate of Title (TCT) No. T-16309[5] in Rosario's name in September 2006. Upon verification, they learned that TCT No. T-16309 pertained to Lot 2441 of the Cadastral Survey of Guianga.[6] TCT No. T-16309, issued on March 2, 1966, covered an area of 49,528 square meters. The title was derived from Original Certificate of Title (OCT) No. O-143,[7] which was issued to Tomas Sison (Sison) on March 10, 1961.[8] According to the Memorandum of Encumbrances of the cancelled OCT No. O-143, Sison sold Lot 2441 to Jose M. Kimpo (Kimpo) on February 23, 1965, who then sold it to Rosario on February 8, 1966.[9]

Respondents alleged the following: The title and ownership over the subject property were adjudicated in favor of Rosario and her predecessor-in-interest in Cadastral Case No. N-3, LRC Cadastral Record No. N-15 (cadastral case) as evidenced by the cancelled OCT No. O-143. However, they discovered that Ligaya had obtained a free patent title over the same property on January 19, 1979, that is, OCT No. P-8676,[10] from the Department of Environment and Natural Resources (DENR).[11] OCT No. P-8676 covered an area of 30,168 square meters.[12] They sent demand letters dated November 8, 2006, and January 12, 2007, to Ligaya, but she did not reply.[13]

On March 23, 2007, respondents filed a Complaint for Quieting, Annulment of Title, Reconveyance and Attorney's Fees[14] (Original Complaint) against Ligaya and the DENR before Branch 16, Regional Trial Court (RTC), Davao City. In the Original Complaint, docketed as Civil Case No. 31,786-07, respondents sought the following: (1) the annulment, quieting, and cancellation of Ligaya's OCT No. P-8676; (2) the reconveyance of the subject property to them by Ligaya; and (3) attorney's fees and costs of suit.[15]

In her Answer with Counterclaim[16] dated June 1, 2007, Ligaya alleged that: (1) she had no knowledge of any existing title over the subject property when she acquired the subject property from Angaod Alod (Alod)[17]

through the latter's Affidavit of Relinquishment of Rights subscribed before Land Inspector Manuel L. Flores (Land Inspector Flores) and approved by Regional Director Manuel Luis; (2) an investigation by the Bureau of Land found that the lot Ligaya applied for had been continuously occupied and cultivated by her and her predecessors-in-interest since 1944 or earlier; (3) she acquired the subject property in good faith and for value from Alod on August 16, 1977,[18] while Sison's OCT No. O-143 was secured through fraud;[19] and (4) because respondents were not in actual possession of the subject property, their action was barred by prescription and laches.[20]

According to Ligaya, Sison's OCT No. O-143 was secured through fraud because it was not Sison, but Ligaya and her predecessors-in-interest, i.e., Imbangan Madot[21] (Madot), Juliana Agle Bangunan (Bangunan), and Alod, who have been in open, continuous, adverse, and peaceful possession and occupation of Lot 2441 since 1944 up to the present. They never sold their interest in the subject property to Sison.[22]

Ligaya maintained that (1) Madot originally occupied and cultivated Lot 2441 even prior to July 4, 1945; (2) on November 18, 1968, Madot sold Lot 2441 to Bangunan, who tiled an application for a free patent at the Bureau of Lands and a Declaration of Real Property at the assessor's office; (3) Bangunan subsequently sold Lot 2441 to Alod on March 20, 1973, who also filed an application for a free patent at the Bureau of Lands and continued paying the real property taxes on it; and (4) on August 16, 1977, Alod sold Lot 2441 to her, and she filed her own application for a free patent at the Bureau of Lands in March 1978 which was granted on July 25, 1978.[23]

Ligaya denied respondents' contention that Rosario and her predecessors-in-interest obtained their title over Lot 2441 through the cadastral case. Ligaya presented a Certification[24] from Atty. Edipolo P. Sarabia, Jr. (Atty. Sarabia), Clerk of Court V, RTC, Davao City, that the record of the cadastral case could no longer be found among the archived records. She also presented a certified true copy of the cadastral record[25] indicating that the claimants of Lot 2441, namely, Sison, Josefina Fuentes (Fuentes), and Hilarion Rasa (Rasa), had withdrawn their claims.[26]

Lastly, Ligaya raised the following as affirmative defenses: (1) respondents' action was barred by prescription and laches; (2) the land remained a public land because OCT No. O-143 was secured through fraud, meaning respondents' action was one for reversion and should be dismissed because they were not the real parties in interest;[27] and (3) the RTC had no jurisdiction over the case because the subject property had an assessed value of only PHP 9,970.00.[28]

In view of the foregoing, Ligaya sought the following: (1) dismissal of respondents' Original Complaint; (2) annulment of Sison's OCT No. O-143 and the subsequent titles issued from it, including Rosario's TCT No. T-16309; (3) cancellation of TCT No. T-16309; (4) moral and exemplary damages; and (5) attorney's fees.[29]

In their Reply with Answer to Affirmative Defenses and Counterclaim dated June 25, 2007,[30] respondents asserted that Ligaya's claim to a valid title over Lot 2441 was untenable and advanced several key legal arguments:

- Older title: They argued that the property had been the private property of Rosario long before Alod and Bangunan allegedly took possession.[31] Citing *Sanchez v. Quinio*,[32] respondents contended that when two certificates of title cover the same land, in whole or in part, the title with an earlier date must prevail.[33]
- Indefeasibility of a Torrens title: They maintained that Rosario's title could not be defeated by Ligaya's claim of prescription or adverse possession,[34] citing Section 47[35] of Presidential Decree No. 1529.[36]
- Prescriptive Period: They argued that their action had not prescribed. Article 1141[37] of the Civil Code provides that real actions over immovables prescribe after 30 years. Ligaya's OCT No. P-8676 was issued on January 19, 1979, and the Original Complaint was filed on March 23, 2007; thus, the 30-year period had not

yet elapsed. Conversely, they contended that Ligaya's right to challenge Rosario's title had prescribed, as 41 years had passed since Rosario's TCT No. T-16309 was issued on March 2, 1966.[38]

- Prohibition on Collateral Attacks: They asserted that Rosario's title could not be attacked collaterally by way of a counterclaim. Any challenge to the title, they argued, must be made through a direct proceeding, as mandated by Section 48[39] of Presidential Decree No. 1529.[40]

- Nature of the Action: They clarified that their action was not one for reversion, as the property in question was private property.[41]

- Jurisdiction: They contended that the RTC held exclusive jurisdiction over actions for annulment and quieting of title, regardless of the assessed value of the property involved, pursuant to Rule 63, Section 1[42] of the Rules of Court.[43]

Regarding the missing cadastral case records, respondents emphasized that Atty. Sarabia merely indicated the absence of the case records from the archived records, not the non-existence of Decree No. N-81711, the basis for the issuance of OCT No. O-143. They asserted that Rosario's intact TCT No. T-16309 constituted the best evidence of the decree's existence.[44]

Upon respondents' motion,[45] the RTC issued an Order[46] dated June 13, 2007, declaring the DENR in default for its failure to file an answer.

Subsequently, on January 4, 2008, respondents filed a Motion for Leave to Amend Complaint,[47] seeking to include Lito, Ligaya's son, as a party-defendant. They also requested the admission and allowance of the attached Amended Complaint.[48] In their Amended Complaint, respondents sought the annulment of Lito's TCT No. T-291638,[49] which was issued on November 14, 1997, covered an area of 9,055 square meters. This title was derived from OCT No. P-13369, issued to Lito on December 18, 1991.

Respondents alleged that Lito, like his mother Ligaya, applied for a free patent over a 9,055 square meter portion of their property. They asserted that Lito was folly aware that this portion fell within their title, yet he proceeded, resulting in the issuance of TCT No. T-291638 in his favor.[50]

In their Amended Answer with Counterclaim[51] dated May 16, 2008, petitioners raised the following additional points:

- Prior Knowledge: They asserted that the families of both parties had a long-standing acquaintance, implying that respondents and their parents were aware that petitioners' predecessors-in-interest possessed and cultivated Lot 2441 from the outset.[52]

- Actual Possession and Cultivation: They stated that they had enclosed the property with trees as a fence and had cultivated it with various agricultural products, including mangoes.[53]

- Consistent Tax Payments: They emphasized their consistent payment of real property taxes on their respective properties.[54]

- Lack of Possession and Tax Payments by Respondents' Predecessors-in-Interest: They argued that neither Sison nor Rosario had occupied, declared, or paid any taxes on Lot 2441.[55]

- Published Notice of Acquisition: They maintained that Ligaya's notice of acquisition of her property was published in accordance with law, and no adverse claims were filed during her application.[56]

- Lack of Notice of Demand Letters: They denied having knowledge of respondents' demand letters, as they were not provided with copies.[57]

- Inadmissibility of Geodetic Engineer's Affidavit: They argued that Geodetic Engineer Policarpio Calda's

Judicial Affidavit was inadmissible as evidence because it contained confidential information as defined under Section 3(h)[58] of Republic Act No. 9285,[59] due to it having been made during mediation by a non-party participant.[60]

During the trial, respondents offered the following documents as evidence:

- Completed staff work[61] of Edwin H. Lopez (Land Investigator Lopez), Acting Land Investigator from the DENR-Community Environment and Natural Resources Office (CENRO);
- Judicial affidavit,[62] survey report[63] and sketch plan[64] of Geodetic Engineer Rosendo H. Villareal (Engr. Villareal);
- Rosario's TCT No. T-16309;[65]
- Sison's OCT No. O-143;[66]
- Demand letter dated January 12, 2007;[67]
- Certified blueprint copy of Consolidation-Subdivision Plan[68] of Lots 2441, 2442 and 2443, Cad-281 in the name of Leonardo Ancheta, et al.;
- Certified blueprint copy of Relocation Plan[69] of Lot 9642, Cad-281 in the name of Ligaya; and
- Certification[70] that Lito's TCT Nos. T-291638 and T-291639 were intact.

In his completed staff work, Land Investigator Lopez opined that Sison's OCT No. O-143 should prevail over Ligaya's OCT No. P-8676, citing the case of Antonio v. Santos.[71] Interestingly, he indicated in the same document that the circumstances surrounding the issuance of Sison's OCT No. O-143 title were "strange":

[T]he facts readily show that OCT No. O-143 was issued eight years ahead of OCT No. P-8676. As it is being issued prior in time, OCT No. O-143 has superior rights compared to OCT No. P-8676. However, facts reveal that the holders of OCT No. O-143 and its [derivative] titles have never occupied nor cultivated Lot 2441. This would only generate a presumption that Tomas Sison, Jose Kimpo and Rosario Maypa are strangers to the subject lot because if indeed their claims over the subject lot were genuine, at least one [of] them could have occupied the area and cultivated the same.

Furthermore, the entry of OCT No. O-143 which says that it was issued on 20 February 1961 would create an idea that there was something strange in its issuance on the ground that the cadastral proceeding on Lot 2441, Cad-281 was still receiving evidence on the matter [on] 27 April 1973. Hence, how [could OCT No. O-143] be legally issued in 1961 when its case was still being heard in 1973[?]

On the other hand, though there seems to be a failure in securing court certification on the status of the subject lot to support [] the [free patent application] of Ligaya Ancheta, the same is still doubtful. This is because court records show that Josefina Fuentes, Tomas Sison and Hilario Rasa [withdrew] their claims over the said lot. Ligaya Ancheta must have possibly secured such certification but [sic] because the claims of Josefino Fuentes, Tomas Sison and Hilario Rasa were already withdrawn, nothing more hindered her application[.][72]

Engr. Villareal declared that he was engaged by Natividad to conduct a ground relocation-verification survey of the three titles in question. He stated that he conducted the survey after respondents obtained authority from the RTC to conduct the same. Engr. Villareal's relocation survey revealed the following:

- The lot covered by Rosario's TCT No. T-16309 was included in the approved consolidation-survey Ccs-000204-D;
- A portion of Lot 1, Ccs-11-000204-D covered by Ligaya's OCT No. P-8676, was located within Lot 2441, Cad-281, which is covered by Rosario's TCT No. T-16309; and

- Lot 9644-A, Psd-11-058308, covered by Lito's TCT No. T-291638, was located within Lot 2441, which is covered by Rosario's TCT No. T-16309.[73]

For their part, petitioners offered the following evidence, among others:

Documentary Evidence:

- Affidavit of Relinquishment of Rights[74] executed by Alod in favor of Ligaya;
- Ligaya's application for free patent;[75]
- Joint Affidavit in Support of Free Patent Application[76] dated August 16, 1977, executed by Generoso Bangunan and Angelito Samza in favor of Ligaya;
- Notice of Application of Free Patent[77] for Ligaya issued by Land Investigator Flores;
- Order: Approval of Application and Issuance of Patent[78] dated January 19, 1979, issued by the District Land Officer in favor of Ligaya;
- Owner's Copy of Ligaya's OCT No. P-8676;[79]
- Affidavit of Relinquishment of Rights[80] executed by Bangunan in favor of Alod;
- Real property tax receipts[81] issued to Alod in 1976;
- Certification[82] issued by Atty. Sarabia, Jr. dated May 30, 2007;
- Cadastral case record pertaining to Lot 2441;[83]
- Declarations of Real Property in the name of Ligaya[84] and Lito;[85]
- Land Investigator Lopez's completed staff work;[86]
- 1[st] Indorsement[87] dated September 5, 1977, issued by the Court of First Instance of Davao City (CFI Davao) stating that Lot 2441 is "among those lots pending hearing" as of the said date;
- Certifications[88] and tax clearances[89] issued by the District Treasurer, Talomo District of the Office of the City Treasurer, City of Davao to petitioners;
- Lito's TCT No. T-291638;[90]
- Photographs[91] of the grave of Atty. Julius Amor Artes (Atty. Artes), indicating that he died on June 18, 1999;
- Real Estate Tax Receipts[92] issued to petitioners for the years 2012, 2013 and 2014; and
- Report and Certification[93] by the Bureau of Lands dated January 8, 1979 (DENR Examination Report), among others.

Testimonial Evidence:

- Judicial Affidavit of the direct testimony[94] of Natividad and her husband, Judge Rodolfo Escovilla (Judge Escovilla) wherein they admitted that they spoke with Ligaya and her lawyer, Atty. Artes, regarding the present controversy;[95] and
- Judicial Affidavits of the direct testimonies of Ligaya,[96] Luz O. De Cadiz (Cadiz),[97] Rolito Emba (Rolito)[98] and his wife, Erlinda Emba (Erlinda) (collectively, Sps. Emba),[99] and Rosalinda C. Crisologo (Crisologo).[100]

The following were the declarations made by petitioners' third-party witnesses:

Sps. Emba's declarations in their respective affidavits are summarized as follows: (1) Rolito's father lived in Lot 2441 from 1920 until his demise in 1996, while Rolito has lived in the area since his birth in 1960 up to present; (2) Bangunan owned Lot 2441 even before 1944, or 1920 to be exact; (3) sometime in 1973, Bangunan sold the subject property to Alod, who, in turn, sold it to Ligaya in 1977; (4) they assisted Ligaya in planting mango, lanzones; and durian trees on the property; (5) they do not know and have never seen Sison or Rosario in Lot 2441; (6) sometime in 1995, a group of people identifying themselves as the Maypa family went to Lot 2441; (7) the Maypas inquired from Sps. Emba and De Cadiz as to the ownership of the lot that they tilled; (8) Erlinda informed the Maypas that Ligaya was the owner of the lot and subsequently provided them with Ligaya's residential address; and (9) Ligaya's ownership of Lot 2441 was not questioned by anyone until respondents contested such ownership in 2007.[101]

Meanwhile, Crisologo stated the following: (1) she personally knew respondents, and sometime in 1995, Jesusita's husband, Vicente Chiong, Jr. (Vicente), mentioned to her and her husband that Vicente's late mother-in-law, i.e., Rosario, has a certificate of title on a property located in Calinan, Davao City; (2) Vicente likewise mentioned their discovery that Ligaya, who was occupying the property, also possessed a title to it; (3) upon learning that Ligaya was her friend's aunt, Crisologo obtained Ligaya's address and, in the same year, provided this information to Vicente; (4) on November 3, 2004, Lito and Vicente met in the birthday party of Crisologo's husband; and (5) during the birthday party, Vicente mentioned the existence of the two certificates of title on Lot 2441, but he did not demand its return to the Maypas.[102]

De Cadiz corroborated the declarations of Sps. Emba, stating that neither Sison nor Maypa were in possession of Lot 2441 and that a group of people identifying themselves as the Maypas visited Lot 2441 in May 1995. According to De Cadiz, she had been helping Ligaya in cultivating Lot 2441 from 1977 and up to the present. In May 1999, she accompanied Ligaya to the law office of Atty. Artes, where they met with Judge Escovilla and Vicente, who represented their respective wives. De Cadiz recognized Judge Escovilla as one of the individuals who had gone to Lot 2441 in May 1995. During the meeting, Judge Escovilla stated that the Maypa family held a certificate of title over Lot 2441 and inquired about the legal basis of Ligaya's possession of the property. In response, Ligaya explained in detail how she had purchased the lot and obtained a title in her name. Throughout the meeting, Judge Escovilla and Vicente made no demands for Ligaya to vacate and surrender the property. The meeting concluded with a friendly discussion regarding the whereabouts of their children, who were close friends at the Ateneo de Davao University, High School Department. Subsequently, Ligaya requested De Cadiz to research whether Sison or Rosario possessed any tax declaration or paid any real property taxes on the property. De Cadiz discovered that they held no tax declarations and had not paid real property taxes for Lot 2441.[103]

The Ruling of the RTC

In the Decision[104] dated February 3, 2015, the RTC ruled in favor of respondents. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered in favor of [respondents] and against [petitioners]:

- QUIETING the Transfer Certificate of Title No. T-16309 in the name of Rosario N. Maypa, which is derived from Original Certificate of Title No. O-143;
- ANNULING the subsequently issued Original Certificate of Title No. P-8676 in the name of defendant Ligaya O. Ancheta;
- ANNULING the subsequently issued Transfer Certificate of Title No. T-291638 in the name of Lito O.

Ancheta;

- DIRECTING the Register of Deeds to cancel OCT No. P-8676 and TCT No. T-291638;
- DIRECTING defendants to return the possession of the property embraced in Transfer Certificate of Title No. T-16309 to [respondents];
- DIRECTING [respondents] to reimburse all the realty taxes paid by [petitioners] as reflected in the records of the City Treasurer's Office.
- NO COSTS.

SO ORDERED.[105]

Relying on the completed staff work and testimony of Land Investigator Lopez, and the survey report of Engr. Villareal, the RTC found that the titles of the parties covered the same parcel of land.[106]

The RTC ruled that there was no necessity to determine the validity of OCT No. O-143 because petitioners' counterclaim constituted a proscribed collateral attack under Section 48 of Presidential Decree No. 1529. Consequently, Sison's OCT No. O-143, which was issued prior to petitioners' titles, would prevail.[107]

Aggrieved, petitioners appealed the Decision[108] dated February 3, 2015, assigning the following errors to the RTC: (1) the quieting of title was improper because respondents never occupied and cultivated Lot 2441; (2) respondents' action was barred by prescription and laches; (3) the testimony of Land Investigator Lopez and the survey report of Engr. Villareal were insufficient to prove the overlapping of titles; (4) Sison's OCT No. O-143 title was null and void from the very beginning and, thus, could not prevail over petitioners' titles; (5) a counterclaim constitutes a direct attack on the Torrens title upon which the complaint for quieting of title is premised; and (6) the RTC could not direct the cancellation of petitioners' titles because the Register of Deeds of Davao City was not impleaded as a party in the complaint filed by respondents.[109]

The Ruling of the CA

On June 29, 2017, the CA rendered a Decision[110] affirming the RTC's ruling. The CA stated:

While it may look agonizing that the trial court has granted the Maypas' petition for quieting of title considering the Anchetas' fact of possession over the property for decades, we nevertheless agree with the findings of the trial court[.]

Primus tempore, potior jure.

This age-old Latin doctrine, translated as "first in time, stronger in right," deeply-seated in our jurisprudence is mainly the basis of the trial court's Decision.

We affirm for this reason: certificate of title acquired through Public Land Law, if it conflicts with another acquired on the same date through a judicial proceeding, must give way to the latter.[111]

Citing *Nieto v. Quines*[112] and *Calimpong v. Heirs of Gumela*,[113] the CA ruled that respondents' title, which was obtained through judicial proceedings, was superior to petitioners' titles.[114]

Petitioners moved for reconsideration[115] of the CA Decision, but the CA denied the Motion in the Resolution[116] dated April 25, 2018.

Hence, this Petition.

Petitioners' Arguments

Petitioners reiterate the following arguments before the Court:

First, respondents' action for quieting of title was barred by prescription, considering that petitioners' adverse possession can be traced back to July 4, 1945, at the earliest, and January 19, 1979, at the latest. Petitioners argued that when a plaintiff is not in possession of the property in dispute, an action for quieting of title is subject to a 10-year prescriptive period. According to petitioners, from the time Rosario purchased the subject property from Kimpo in 1966 up to the time of her death on January 2, 1991, she neither occupied the property nor challenged petitioners' adverse possession in court. In their view, Rosario had abandoned the subject property, and respondents had slept on their rights, resulting in their action to recover possession being barred by laches.[117]

Second, the RTC and the CA failed to consider the following relevant facts which would justify a different conclusion:

(1)

The technical descriptions of respondents' title and petitioners' titles are not the same;

(2)

Lito's TCT No. T-791638 was derived from Lot 9644, not Lot 2441, as indicated on the title itself;[118]

(3)

Land Investigator Lopez is not a geodetic engineer and merely "presumed" that TCT No. T-16309 and OCT No. P-8676 refer to the same area without conducting any ground relocation survey for TCT No. T-16309;

(4)

Engr. Villareal was not commissioned by the RTC to conduct ground relocation survey and did so without petitioners' presence;

(5)

Cadastral records show that Sison withdrew his claim for Lot 2441;

(6)

Sison did not have a survey plan for Lot 2441 approved by the Director of the Bureau of Lands;

(7)

The Office of the Clerk of Court of the CFI Davao issued a Certification stating that as of September 3, 1977, Lot 2441 was still pending hearing;

(8)

As noted by Land Investigator Lopez, the cadastral proceeding on Lot 2441 was still receiving evidence on the claims in 1977, yet OCT No. O-143 was issued by the Registry of Deeds on February 20, 1961;

(9)

Madot's occupation of Lot 2441 could be dated back to July 4, 1945, or even earlier, while Sison and respondents did not cultivate the land, file any Declaration of Real Property at the Assessors' Office, or pay real property taxes;[119] and

(10)

Sison's OCT No. O-143 was void.[120]

Third, a counterclaim constitutes a permissible direct attack on the Torrens title upon which the complaint for quieting of title is premised.[121]

Lastly, petitioners' titles cannot be nullified because they are the real owners of their respective properties, considering that (1) they have been in actual, adverse, open, notorious, and exclusive possession and cultivation of their properties as owners; (2) their possession can be traced back to July 4, 1945, or even earlier; (3) they have filed their respective Declaration of Real Property and consistently paid real property taxes from the very beginning up to present; and (4) no one questioned their occupation, cultivation, and ownership, until respondents filed their Original Complaint on March 23, 2007.[122]

Respondents' Arguments

Respondents assert that petitioners' arguments primarily involve factual issues already passed upon by the CA. They argue that these matters are beyond the Court's jurisdiction in a petition for review on certiorari under Rule 45 of the Rules of Court.[123]

Regarding the alleged overlapping of the titles, respondents point out that petitioners admitted to possessing Lot 2441. This admission, they argue, precludes petitioners from claiming that there was no overlapping of titles in the case.[124]

Finally, respondents maintain that prescription and laches are not applicable, citing *Calimpong* and Section 47 of Presidential Decree No. 1529 which states that "[n]o title to registered land in derogation of the title of the registered owner shall be acquired by prescription or adverse possession."

The Issues

The issues for the resolution of the Court are as follows:

- Whether the overlapping of the titles in question was sufficiently established;
- Whether petitioners' counterclaim was barred by Section 48 of Presidential Decree No. 1529; and
- Whether respondents' action was barred by prescription and laches.

The Ruling of the Court

The Court finds the Petition impressed with merit.

To be sure, questions of fact, which entail the review of the evidence presented during trial,[125] are beyond the scope of a Rule 45 petition[126] for it is settled that the Court is not a trier of facts.[127] Further, it is settled that the findings of fact of the trial court, when affirmed by the CA, are generally conclusive and binding upon the Court.[128]

Nonetheless, this rule is not absolute and subject to the following exceptions: "(1) when the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) where there is a grave abuse of discretion; (4) when the judgment is based on misapprehension of facts; (5) when the findings of fact are conflicting; (6) when the [CA], in making its findings, went beyond the issues of the case and [they are] contrary to the admissions of both appellant and appellee; (7) the findings of the [CA] are contrary to those of the trial court; (8) when the findings of fact are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (10) the finding of fact of the [CA] is premised on the supposed absence of evidence and is contradicted by the evidence on record." [129]

To recall, the RTC ruled that there was no necessity to determine the validity of Sison's OCT No. O-143 because

petitioners' counterclaim constitutes a proscribed collateral attack under Section 48 of Presidential Decree No. 1529. The CA affirmed this ruling and found that despite petitioners' decades of possession over Lot 2441, respondents' title, which was acquired through a judicial proceeding, prevails over petitioners' titles.

The Court does not agree.

As further discussed below, the Court finds that petitioners' counterclaim was not a proscribed collateral attack, and the CA's factual finding as to the origin of respondents' title was so glaringly erroneous as to constitute grave abuse of discretion; hence, a judicious review of the evidence on record is not only warranted under the given circumstances but is an absolutely necessity to prevent a manifest miscarriage of justice.[130]

Overlapping of Titles

Respondents contend that petitioners are precluded from arguing that the overlapping of the parties' titles was not proven in the case because they already admitted that they are occupying Lot 2441. In other words, respondents argue that petitioners are now barred by estoppel from raising this issue before the Court.

The Court finds, however, that the parties did not stipulate as to the overlapping of titles. If there was such stipulation during the pre-trial, it would have been included in the Pre-Trial Order. However, there is nothing in the Pre-Trial Order dated June 2, 2010, issued by the RTC regarding this supposed stipulation of fact, to wit:

ORDER

Considering the admission of Atty. Gillesania, Jr. that exhibit "B" and "B-1" for respondents are authentic copies of Transfer Certificate of Title No. T-16309 in the name of Rosario Maypa and OCT [No. O-143] in the name of Tomas [Sison] in the Registry of Deeds, the testimony of Jorlyn Paralisan is dispensed with. Continue the reception of plaintiff's evidence on June 4, 2012, at 8:30 A.M.

SO ORDERED.[131]

What is more, during the pre-trial conference, petitioners consistently denied respondents' proposed stipulation on the fact of overlapping titles because an expert was necessary to determine the metes and bounds of the titles involved.[132] Hence, respondents were compelled to employ a geodetic engineer to conduct a verification survey.[133]

Even assuming arguendo that petitioners have admitted the fact of overlapping of the titles in question, still, such an admission on their part would have no probative value in view of their lack of technical knowledge and expertise in the field of geodetic engineering. The determination of land boundaries is a technical matter of geodesy, not a matter of lay opinion or admission. To stress, "[i]n every land dispute, the aim of the courts is to protect the integrity of and maintain inviolate the Torrens system of land registration, as well as to uphold the law; a resolution of the parties' dispute is merely a necessary consequence." [134] Hence, the metes and bounds of lots covered by titles issued under the Torrens system should not be left to the whims and caprices of litigants by taking their mere admissions as gospel truth.

Still, the Court finds that the overlapping of the titles in question was sufficiently established by the evidence on record. Interestingly, petitioners' own evidence proved the fact that Ligaya's title overlapped with Rosario's title.

A perusal of Rosario's TCT No. T-16309 would show that it covers the entirety of Lot 2441. Meanwhile, Ligaya's own application for free patent,[135] from which OCT No. P-8676 was eventually derived, and the Notice of Application for Free Patent[136] identified Lot 2441 as the land that is the subject of her application for titling. Moreover, although the subject of the lot application was described as Lot 1 of CCS-11-000204-D in the DENR Examination Report,[137] the same report clarified that the lot was formerly a part of Lot 2441. Notably, Ligaya's

application not only identified the same Lot 2441 covered by respondents' TCT No. T-16309 but also provided the same area of 4.9528 hectares.[138] Relevantly, based on the DENR Examination Report, while Ligaya applied for a free patent over the entire 4.9528 hectares of Lot 2441, only 3.0168 hectares were awarded to her because this is the only portion of Lot 2441 that she was actually cultivating. For this reason, Ligaya's Free Patent No. (XI-1) 3286 and the corresponding OCT No. P-8676 issued therefor pertained only to 30,168 square meters or 3.0168 hectares.

Anent Lito's TCTNo. T-291638, Engr. Villareal categorically stated that Lita's title likewise overlapped with Rosario's title based on the ground verification survey that he conducted.[139]

In *Pen Development Corp. v. Martinez Leyba, Inc.*, [140] the Court held that although the practice for trial courts in overlapping of titles was to appoint a surveyor from the government land agencies, this is not mandatory; the trial court may rely on the parties' respective evidence to resolve the case. Thus, the Court finds that Engr. Villareal's ground verification survey is sufficient to prove the overlapping of Rosario's title with Lita's title, especially in the case, where petitioners failed to present a similar survey to rebut the findings of Engr. Villareal.

Given the foregoing, it is evident that the fact of overlapping of the titles of the parties has been sufficiently proven. Thus, respondents have a cause of action to file a complaint for quieting of title against petitioners. In the same vein, petitioners similarly have a cause of action to file a counterclaim for quieting of title against respondents.

Counterclaim as Direct Attack

Indeed, a collateral attack on a Torrens title is proscribed under Section 48 of Presidential Decree No. 1529 which states that "[a] certificate of title shall not be subject to collateral attack." The Court finds, however, that the RTC and the CA erroneously equated a counterclaim to a collateral attack.

To be clear, a counterclaim is a claim by a defendant against the opposing party (plaintiff).[141]

It is a settled principle that a counterclaim is akin to a complaint filed by the defendant against the plaintiff and stands on the same footing as an independent action.[142] Thus, a defendant is equally entitled as the plaintiff with respect to establishing a cause of action and proving the rights being asserted.[143]

There are two kinds of counterclaim: compulsory counterclaim and permissive counterclaim.

Under Rule 6, Section 7 of the Rules of Court, a compulsory counterclaim is any claim which a defending party may have against an opposing party, which "arises out of or is connected with the transaction or occurrence constituting the subject matter of the opposing party's claim and does not require for its adjudication the presence of third parties of whom the court cannot acquire jurisdiction." Any other counterclaim is permissive.

In this jurisdiction; the test in determining whether a counterclaim is a compulsory or a permissive one is the "compelling test of compulsoriness." Under this test, there must be a logical relationship between the counterclaim and the main claim— "when conducting separate trials of the respective claims of the parties would entail substantial duplication of time and effort by the parties and the court; when the multiple claims involve the same factual and legal issues; or when the claims are offshoots of the same basic controversy between the parties." [144]

Here, the Court noted that there is a logical relationship between respondents' main claim and petitioners' counterclaim, that is, the action for quieting of title of Sison's OCT No. O-143 and consequently, Rosario's title. Verily, the validity of these titles is inseparable from respondents' present action for quieting of title which is premised on the existence of a valid title in their favor.

Meanwhile, the determining factor as to whether an action is a collateral attack or a direct attack is its objective. As held in *Ono v. Lim*,^[145] an attack is direct when its objective is to annul the title itself:

An action or proceeding is deemed an attack on a title when its objective is to nullify the title, thereby challenging the judgment pursuant to which the title was decreed. The attack is direct when the objective is to annul or set aside such judgment, or enjoin its enforcement. On the other hand, the attack is indirect or collateral when, in an action to obtain a different relief, an attack on the judgment is nevertheless made as an incident thereof.^[146]

Jurisprudence is replete with rulings that a counterclaim seeking the annulment of a title is a direct, not a collateral, attack. In *Sampaco v. Lantud*,^[147] the Court held that a counterclaim for annulment of title and reconveyance based on fraud is a direct attack on the Torrens title upon which the complaint for quieting of title is premised.^[148]

Likewise, in *Development Bank of the Phils. v. Court of Appeals*,^[149] the Court held that a counterclaim filed by the defendant claiming ownership over the contested land and seeking damages is a direct attack although the original complaint is for recovery of possession. The Court ratiocinated that a separate proceeding for the cancellation of the plaintiff's title would be needlessly circuitous and would unnecessarily delay the termination of the controversy considering that all the facts of the case were already before it.^[150]

In sum, a defendant claiming ownership over a property in dispute is not barred by Section 48 of PD No. 1529 from assailing the validity of the plaintiff's title via a counterclaim.

Similarly, petitioners herein are claiming ownership over their respective properties as evidenced by their respective Torrens title. Moreover, the reliefs prayed for in their Amended Answer with Counterclaim readily show that their objective is not limited to the dismissal of respondents' action but also the annulment of Sison's OCT No. O-143 and the titles which were issued subsequent thereto including Rosario's TCT No. T-16309, and the cancellation of Rosario's TCT No. T-16309.^[151] Based on its clear objective and the reliefs prayed for, petitioners' counterclaim is, without a doubt, a direct attack on respondents' title. Consequently, petitioners were deprived of the opportunity to prove their case by the RTC and the CA, which closed their judicial eyes to any evidence in support of petitioners' counterclaim on the mistaken notion that it is a proscribed collateral attack.

Assuming arguendo, that petitioners' counterclaim constitutes a collateral attack, the courts a quo should still have decided on the issue of whether Sison's OCT No. O-143 is indeed void, as alleged by petitioners.

It is settled that an action to declare the nullity of a void title does not prescribe and is subject even to a collateral attack.^[152] Time and time again, the Court has held that "[t]he principle of indefeasibility of Torrens title does not apply where fraud attended the issuance of the title"^[153] as it was not intended to serve as shield or tool for fraud.^[154]

In fine, the CA erred in affirming the RTC's dismissal of petitioners' compulsory counterclaim and declaring the nullity of petitioners' title without delving into the issue of whether Sison's OCT No. O-143 is void.

Typically, when the Court finds that the trial court erred in dismissing a counterclaim, the case is remanded to the lower court for further proceedings to ensure due process and provide both parties with a fair opportunity to litigate in the proper forum. This was exemplified in *Firaza, Sr. v. Sps. Ugay*,^[155] where the Court similarly held that the counterclaim of the petitioner is a permissible direct attack to the validity of the Torrens title in question and consequently ordered that the case be remanded to the trial court because the petitioner therein was unjustly prevented from presenting evidence on his counterclaim.^[156]

While the RTC's dismissal of the counterclaim in this case was likewise erroneous, the circumstances here are

distinct from Firaza, Sr. Crucially, petitioners were not prejudiced by this initial procedural misstep. On the contrary, as the records reveal, petitioners were, in fact, afforded a full opportunity to present evidence on their counterclaim and affirmative defenses although the evidence they presented was eventually disregarded by the RTC and the CA.

Records reveal that the Pre-Trial Order included the following issues pertinent to petitioners' counterclaim among the triable issues: (1) whether the parties are entitled to their respective claims and counterclaims; and (2) whether OCT No. 0- 143 and the subsequent titles issued to them, including Rosario's TCT No. T-16309, should be nullified.[157]

In addition, petitioners presented documentary and testimonial evidence in support of the counterclaim, as contained in their Formal Offer of Evidence,[158] which were admitted[159] in evidence by the trial court. Respondents were likewise given an opportunity to rebut petitioners' evidence. Respondents could also have rebutted petitioners' evidence, but they chose to hinge their case on these two grounds: (1) their title is superior to petitioners' titles because of priority in registration;[160] and (2) Sison's OCT No. O-143 became indefeasible and incontrovertible one year from its issuance, and thus, petitioners' counterclaim has long prescribed.[161]

Considering that the whole record of the case, including all evidence formally offered by both parties, is now before the Court, remanding the case to the RTC would be a purely formalistic exercise, adding unnecessary delay and burden without providing any further substantive due process benefits. To the contrary, resolving the case on the merits at this juncture is more in keeping with the higher interest of justice, as it promotes judicial economy, avoids further protraction of the case, and allows for a fair and just resolution based on the complete evidentiary record already established. Where the records are complete and the issues are ripe for resolution, the duty of the Court is to adjudicate and bring the controversy to a close.

Thus, in the interest of judicial economy and fairness, and considering that petitioners were afforded the opportunity to present their case and respondents were likewise given an opportunity to rebut petitioners' evidence, the Court finds that resolving the case on the merits is the more appropriate course of action, obviating the need for remand.

The Cadastral Process and Sison's Title

At the very heart of the Torrens system is a foundational principle: registration does not create or vest title—it merely confirms ownership that was already acquired through other legal modes and provides evidence of that title.[162] Consequently, a title's validity is wholly dependent on the legitimacy of its origins. It is through the lens of this principle that the Court examines the origins of Sison's OCT No. O-143.

Cadastral proceedings in the Philippines are primarily governed by Act No. 2259,[163] also known as the "Cadastral Act." This law was designed to complement the earlier Act No. 496,[164] otherwise known as the Land Registration Act, by offering a more expeditious approach to settling and registering land titles on a large scale within defined areas.

The cadastral process begins with a petition filed by the Director of Lands, describing the area to be surveyed and adjudicated.[165] Upon receipt of the petition and the accompanying plan, the court then issues a notice requiring all claimants to appear on a specified date.[166] Given the in rem nature of these proceedings, notice to all potential claimants and interested parties is crucial[167] and is effected through publication in the Official Gazette, in addition to any personal or posted notices in a conspicuous place on the lands included in the application and the municipal building of the municipality in which the lands or a portion thereof are situated.[168]

Following the notice, each parcel within the cadastral area is surveyed and assigned a lot number.[169] Potential claimants are then required to file their answers or "claims" corresponding to these numbered lots, detailing their ownership or possessory rights and providing relevant information about the land. During the hearings, claimants, whether appearing on their own behalf or through counsel, must present documentary and testimonial evidence to prove their asserted rights.[170] The court shall then adjudicate all conflicting interests and award each lot to the rightful owner, and its decision, when final, shall be the basis for the issuance of a decree of registration and the corresponding OCT.[171]

In *Government of the Philippine Islands v. Abural*,[172] the Court explained the actions taken in a cadastral case, to wit:

After trial in a cadastral case, three actions are taken. The first adjudicates ownership in favor of one of the claimants. This constitutes the decision—the judgment—the decree of the court, and speaks in a judicial manner. The second action is the declaration by the court that the decree is final and its order for the issuance of the certificates of title by the Chief of the Land Registration Office. Such order is made if within thirty days from the date of receipt of a copy of the decision no appeal is taken from the decision. This again is judicial action, although to a less degree than the first.

The third and last action devolves upon the General Land Registration Office. This office has been instituted "for the due effectuation and accomplishment of the laws relative to the registration of land." (Administrative Code of 1917, Sec. 174.) An official found in the office, known as the chief surveyor, has as one of his duties "to prepare final decrees in all adjudicated cases." (Administrative Code of 1917, Sec. 177.) This latter decree contains the technical description of the land and may not be issued until a considerable time after the promulgation of the judgment. The form for the decree used by the General Land Registration Office concludes with the words: "Witness, the Honorable (name of the judge), on this the (date)." The date that is used as authority for the issuance of the decree is the date when, after hearing the evidence, the trial court decreed the adjudication and registration of the land.[173]

Therefore, the validity of the OCT is directly and inextricably linked to the existence and legality of the underlying decree. The decree is the substance; the title is merely the form. Without a valid substantive judicial act, the formal ministerial act of issuing the title has no legal foundation and creates no rights. This Court has unequivocally and consistently invalidated titles upon proof that the underlying decree was spurious.

A case directly in point is *Filipinas Esalon Manufacturing Corp. vs. Heirs of Basilio Llanes, et al. (FEMCO)*,[174] where an OCT and all its derivative titles were declared void ab initio because the evidence conclusively showed that the supposed cadastral decree was non-existent.[175] It follows, therefore, that a certificate of title that purports to be based on a cadastral decision or decree that is non-existent, fake, or was never rendered by a court of competent jurisdiction is a worthless piece of paper. Its nullity is absolute and incurable.

Here, it was stated on the face of OCT No. O-143 that it was issued based on Decree No. N-81711 issued in the cadastral case in 1961. This was contradicted by the DENR Examination Report[176] and the 1st Indorsement[177] from CFI Davao, both dated September 5, 1977, which unequivocally state that the cadastral case was still pending hearing as of that date. The Court finds that it is legally and logically impossible for a decree of registration to have been validly issued in 1961 from that same pending case. The certification from the CFI Davao that the case is still pending hearing long after the issuance of the decree of registration strongly suggests that the decree of registration, even if it exists, was issued prematurely. This raises significant doubts as to the decree's validity and consequently, the validity of Sison's OCT No. O-143, as a pending case implies that the court has not yet rendered a final adjudication on the conflicting claims on Lot 2441.

Critically, the entry in the cadastral records for Lot 2441 definitively state that the claims of Sison, Fuentes, and

Rasa against Lot 2441 were "withdrawn." In contrast, entries for the other lots were marked as "adj" (adjudicated) with a corresponding decision date.[178] This official entry is not a trivial notation. Under Section 46, Rule 130 of the Rules of Court, entries in public records made in the performance of a duty by a public officer are prima facie evidence of the facts stated therein. This entry, therefore, carries significant probative weight and cannot be brushed aside by mere speculation or conjecture that the claim may have been refiled, a scenario completely unsupported by any evidence on record. In cadastral proceedings, the withdrawal of a claim typically signifies a formal abandonment or relinquishment of rights by the claimant. If all private claimants withdraw their claims before a final adjudication, the typical outcome would be for the court to declare the land as part of the public domain, as the presumption in cadastral proceedings is that all land included in the survey is public land until proven otherwise.[179] Therefore, Sison's recorded withdrawal of his claim in the cadastral case further solidifies the conclusion that OCT No. O-143, which was purportedly issued in the said case, is inherently invalid.

Furthermore, even respondents' own evidence, the completed staff work of Land Investigator Lopez, reveals significant irregularities. The report highlights the discrepancy in dates, noting that the entry for OCT No. O-143 mentions an issuance date of "20 February 1961," while cadastral proceedings for Lot 2441 were demonstrably still in the evidence-gathering phase as late as April 27, 1973. This anomaly further underscores the questionable nature of OCT No. O-143's issuance: how could a decree be legally issued in February 1961 if the underlying cadastral case was still actively receiving evidence over a decade later?[180] In addition, the absence of records of the cadastral case in the archived records, with no explanation as to the surrounding circumstances, is highly suspect. Moreover, he noted that while Sison's OCT No. O-143 predates Ligaya's OCT No. P-8676, suggesting priority, the holders of OCT No. O-143 and its derivative titles have never occupied or cultivated Lot 2441, raising serious doubts about the legitimacy of their claim.

The Court is not unaware of the principle that, as a general rule, possession is but an attribute of ownership.[181] The mere lack of possession by one does not, by itself, erode the strength of their title because a registered title is superior to claims of long-term possession.[182] However, this principle presumes a title that is valid in its origin. The premise changes entirely when the very origin of a title is shrouded in suspicion, as in this case.

Where the issue is the authenticity of the claim itself, the complete and prolonged absence of possession by the supposed owner and their successors-in-interest takes on a significant evidentiary weight. It is a foundational element of human experience that a person who has legitimately acquired property will, at the very least, exercise some act of dominion over it. The total failure of Sison and his successors-in-interest to occupy, cultivate, or even set foot on Lot 2441 for decades runs contrary to the ordinary course of conduct for a legitimate landowner.

Thus, in the unique circumstances of this case, the lack of possession is not merely an incidental matter of enjoying a property right. It serves as a compelling badge of spuriousness. It corroborates the other glaring irregularities on record and strengthens the conclusion that respondents' claim to ownership was purely on paper. This starkly contrasts with the actions of the petitioners and their predecessors, whose long-standing, open, and continuous possession demonstrates a genuine claim of ownership that they have consistently asserted against the world. The fact that Sison and his successors-in-interest never had possession strongly indicates that their title was void from the very beginning.

In sum, the overwhelming and consistent evidence—the impossibility of a decree from a still-pending case, the suspicious lack of possession of Sison and his successors-in-interest, the documented withdrawal of Sison's claim in the cadastral case, and the loss of the records of the cadastral case—cumulatively and persuasively demonstrates that OCT No. O-143 was not derived from a valid cadastral proceeding and is therefore a spurious and void title. Just as in FEMCO, the title here is built not on the rock of a valid judicial decree, but on the sand of a fictitious one. It cannot stand.

Notably, respondents failed to refute the irregularities surrounding the issuance of OCT No. O-143. Their "best evidence" on the validity of OCT No. O-143 is a certification that Rosario's TCT No. T-16309 is "intact." A TCT is merely a certificate of title, it is not the decree of registration itself. The certification is not, and cannot be, the best evidence of a cadastral decree's existence when it is directly refuted by official entry in the cadastral records detailing the status of the cadastral proceedings. Furthermore, the timeline of events, as documented by official reports, irrefutably demonstrates that the cadastral proceedings were never concluded. The completed staff work of Land Investigator Lopez reveals that as late as April 27, 1973, the process for Lot 2441 was still in the evidence-gathering phase. Both the DENR Examination Report and a 1st Indorsement from the CFI Davao, both dated September 5, 1977, unequivocally state that the cadastral case was still pending hearing as of that date, confirming that no final adjudication had occurred sixteen years after the alleged issuance of the decree on February 20, 1961. The absence of the underlying decision adjudicating Lot 2441 to Sison at the time of the issuance of OCT No. O-143 calls into question the very validity of the said OCT and, consequently, Rosario's TCT No. T-16309. If the foundation is weak, so is the structure built upon it. The Court cannot rely solely on the existence of a title when the fundamental records that support that title are absent.

The Prius Tempore, Potior Jure Principle is Inapplicable When the Earlier Title is Void

Evidently, the mechanical application of the principle of prius tempore, potior jure—first in time; stronger in right—by the courts a quo was a fundamental error. This principle, which finds expression in Article 1544[183] of the Civil Code on double sales and is applied by analogy in land registration cases, is not a simple rule of chronology. Its application rests on a crucial precondition: the existence of two or more valid but competing titles or claims. When one of the competing titles is void ab initio, this fundamental precondition is not met. The dispute is no longer a contest of priorities between two valid claims but a question of the very existence of one of them. The Court's task in such a scenario is not to apply the tie-breaking rules of Article 1544 but to simply recognize the valid title and declare the other a nullity.

The Court's definitive ruling in *Pryce Corporation v. Engr. Vicente Ponce*[184] serves as the dispositive authority on this subject. The factual milieu in *Pryce Corporation* is remarkably similar to the case at bar. The dispute involved two parties holding overlapping Torrens titles. The title of respondent Ponce, though registered later, traced its lineage back to an earlier 1925 homestead patent. The title of petitioner *Pryce Corporation*, on the other hand, was derived from a later 1994 cadastral court decision. The RTC and the CA both ruled in favor of Ponce, applying the maxim *prior est in tempore, potior est in jure* and concluding that Ponce's title, being traceable to an earlier root, must prevail.[185] Upon a painstaking review, the Court reversed the lower courts' decisions. The Court found that the very foundation of Ponce's title—the anomalous mother titles of its successor-in-interest—were void due to glaring irregularities and a complete lack of supporting official records.[186] Having established the nullity of Ponce's title, the Court squarely addressed the issue of priority, holding:

The principle of first in time, prior in right rule does not apply when the prior title is void

Considering that Ponce's title is void, the priority in right given to a prior or earlier registrant would not apply in his favor.

In this jurisdiction, the general rule is that in case of two certificates of title purporting to include the same land, the earlier date prevails. However, this rule is not absolute and conclusive....

....

Indeed, the circumstances attendant in this case warrant the application of the exception to the general rule. It is true that Ponce is the prior registrant having registered the subject property on May 28, 1979, while Pryce only later in 1996. Contrary to the pronouncement of the courts below, however, We cannot vest upon Ponce such priority in right considering that his title is void, having been derived from void and non-existent titles of Prudencio. It is axiomatic that no one can transfer to another a right greater than that which one has; thus, the legal truism that the spring cannot rise higher than its source.[187]

The Court in Pryce Corporation declared that the maxim prior est in tempore, potior est in jure does not apply when the earlier title is void. The Court ordered the cancellation of Ponce's void title, demonstrating conclusively that a valid title triumphs over a void one, regardless of chronology.

The logic is inescapable and applies squarely to the present case. Here, Sison's OCT No. O-143, the very source of respondents' claim, has been shown to be a nullity. This title is founded on a spurious judicial decree rather than a valid one. Petitioners' titles, on the other hand, originate from legitimate free patent applications and proceedings.

Therefore, the RTC and the CA erred profoundly in treating the present controversy as a simple race in time. The legitimacy of a certificate of title is wholly dependent on the authenticity and validity of the judicial or administrative proceeding from which it springs. A title predicated on a fraudulent, fake, or non-existent decree, as in this case, is a nullity that will be defeated by any other valid title, regardless of the date of issuance. Sison's void title yested no rights in him or his successors-in-interest. Quod nullum est, nullum producit effectum. Being null and void, OCT No. O-143 and the subsequent titles produce no legal effect. As such, these titles cannot prevail over the valid titles of petitioners.

Evidently, that the CA's reliance on the Court's rulings in Nieto and Calimpong was fundamentally misplaced, as these cases presupposed the existence and validity of a cadastral decree, a critical element that is precisely what is being challenged and disproved in the present case.

In Nieto, the dispute stemmed from the issuance of two certificates of title on the same day. The first title in the name of Arturo Nieto was issued pursuant to a cadastral proceeding, while the second title was issued to Bartolome Quines pursuant to a homestead patent. Ruling in favor of Arturo Nieto, the Court held that a cadastral proceeding is one in rem and any decision rendered therein by the cadastral court is binding against the whole including the Government. Thus, the Government had no more right to convey the lot in question to Bartolome Quines by homestead grant. It must be noted, however, that the Court's ruling in Nieto was firmly based on the undisputed fact that the cadastral court awarded and decreed the lot in question to Arturo Nieto and that there was "no charge, much less proof, of irregularity in the cadastral proceeding." [188] Similarly, in Calimpong, the Court upheld the title of the respondents because they were decreed the owners in fee simple by the cadastral court. [189] In both Nieto and Calimpong, the legitimacy of the cadastral decree was the unshakeable foundation of the registered title.

In stark comparison, the validity of Sison's OCT No. O-143 is not only cast in doubt, it is shattered by the evidence. As previously discussed, there is overwhelming evidence on record that Decree No. N-81711, the supposed source of Sison's title, is demonstrably spurious. The CA's reliance on Nieto and Calimpong was therefore a grievous analytical error as it drew a false equivalence between the valid decrees in those cases with the spurious and void decree in the case at bar.

To stress, it is the decree of registration issued by the cadastral court that shall bind the land and is "conclusive upon and against all persons" [190]—not the certificate of title itself. Because a cadastral proceeding is in rem, its

decree operates as a judgment against the whole world.[191] Therefore, the decree is not merely procedurally important; it is the very source of the registered title's legitimacy and binding effect. Verily, the incontestable and absolute character of a title, as inferred from the language of Sections 38[192] and 39[193] of the Land Registration Act, is conditioned on the existence of a final decree of registration as Section 39 itself stated that the applicant receives a certificate of title "in pursuance of a decree of registration."

Without a decree duly issued by the cadastral court, Sison's OCT No. O-143 is void. It is nothing but a worthless piece of paper and cannot defeat the rights of the actual occupants of Lot 2441. It is particularly important to note that petitioners are not mere possessors without legal standing; they are themselves holders of Torrens titles, specifically OCT No. P-8676 and TCT No. T-291638. Unlike Nieto and Calimpong, where the decrees were valid and binding, here, the demonstrated absence of a valid decree underpinning OCT No. O-143 fundamentally undermines its claim to legitimacy, rendering it void and subordinate to these other, legitimately titled, actual occupants. Needless to say, insofar as Sison is concerned, the registration of Lot 2441 in his name did not vest him the title to the property.

Evidently, the CA applied the principle of *primus tempore, potior jure* in a vacuum. In handling land disputes, courts should be more circumspect and should not oversimplify cases of successive registration covering the same parcel of land, in whole or in part, by basing their judgment solely on the dates appearing on the titles in question. Instead, the courts should consider the totality of the circumstances surrounding the issuance of the titles in question, including their respective origins. As the branch of government tasked with the administration of justice, courts should not allow themselves to be used as tools to protect fraud and/or perpetuate injustice.

In fine, the Court concludes that petitioners have successfully proven, by preponderant evidence, that OCT No. O-143 is null and void and must be set aside.

Purchaser in Good Faith

To reiterate, Sison's title is void for being issued based on a spurious decree of registration. and consequently, Rosario's title is likewise void because of the legal truism that the spring cannot rise higher than its source.[194] The exception to this is when the property is sold to a third person who purchased it for value and in good faith.[195]

A purchaser in good faith refers to someone who "buys the property of another without notice that some nther person has a right to or interest in such property, and pays its full and fair price before he or she has notice of the adverse claims and interest of another person in the same property." [196] The protection afforded to purchasers in good faith is recognized in Section 44 of Presidential Decree No. 1529, viz.:

SECTION 44. Statutory liens affecting title. – Every registered owner receiving a certificate of title in pursuance of a decree of registration, and every subsequent purchaser of registered land taking a certificate of title for value and in good faith, shall hold the same free from all encumbrances except those noted on said certificate and any of the following encumbrances which may be subsisting[.] (Emphasis supplied)

However, it must be emphasized that a purchaser cannot simply rely on a "clean title" to be deemed a purchaser in good faith. In *Domingo Realty, Inc. v. Court of Appeals*, [197] the Court held that prospective buyers of titled lands must exercise the diligence of a reasonably prudent person by performing the following precautionary measures:

(1) verify the origin, history, authenticity, and validity of the title with the Office of the Register of Deeds and the Land Registration Authority; (2) engage the services of a competent and reliable geodetic engineer to verify the boundary, metes, and bounds of the lot subject of said title based on the technical description in the said title and the approved survey plan in the Land Management Bureau; (3) conduct an actual ocular

inspection of the lot; (4) inquire from the owners and possessors of adjoining lots with respect to the true and legal ownership of the lot in question; (5) put up signs that said lot is being purchased, leased, or encumbered; and (6) undertake such other measures to make the general public aware that said lot will be subject to alienation, lease, or encumbrance by the parties.[198]

Relevantly, it is settled that "[t]he burden of proving the status of a purchaser in good faith lies upon one who asserts that status." [199] Otherwise said, to be considered a purchaser in good faith, the purchaser must show that they exercised their rights with prudence and due diligence.

In the case at bar, respondents never asserted that Rosario was a purchaser in good faith, and consequently, they did not present any evidence in support thereof. Notably, their case relied mainly on their contention that Rosario's title was older than petitioners' title and, thus, should prevail over the latter.

In any case, the evidence on record militates against any finding of good faith on the part of Rosario. First, none of her predecessors-in-interest were in actual possession of Lot 244-1. Second, Kimpo, the person who sold Lot 2441 to Rosario, was not the registered owner of the subject lot. Third, petitioners consistently paid real property taxes on their respective properties.

Given the circumstances, Rosario cannot, by any stretch of imagination, be deemed a purchaser in good faith. Thus, her title, which was derived from Sison's void title, is likewise void. It also goes without saying that respondents, who acquired the subject property through succession and merely stepped into the shoes of Rosario by operation of law, cannot be deemed purchasers for value, much less purchasers in good faith.

Prescription and Laches

Citing Section 47 of Presidential Decree No. 1529, both the CA and the RTC uniformly held that respondents' action for annulment of title does not prescribe.[200]

The courts a quo are gravely mistaken.

There are two kinds of prescription under Article 1106[201] of the Civil Code of the Philippines. Paragraph 1 of Article 1106 refers to acquisitive prescription or adverse possession, while paragraph 2 of the same provision refers to extinctive prescription whereby rights and actions are lost by the passage of time.[202]

In *Pangasinan v. Disonglo-Almazora*:[203] the Court held that the prescription being referred to in Section 47 of Presidential Decree No. 1529 is acquisitive prescription, not extinctive prescription. Otherwise stated, an action to recover possession of a registered land may be barred by extinctive prescription; thus:

In a plethora of cases, the Court has held that Section 47 of P.D. No. 1529 covers acquisitive prescription. A registered land therein can never be acquired by adverse possession. In the case at bench, however, it was extinctive prescription, and not acquisitive prescription, which barred the action of petitioners. As the CA correctly held, the action must fail, not because respondents adversely occupied the property, but because petitioners failed to institute their suit within the prescriptive period under Article 1144 of the Civil Code.[204] (Citations omitted)

In determining whether an action is barred by extinctive prescription, the nature and circumstances of the case should be considered.[205]

Here, respondents alleged that petitioners' titles covering Lot 2441 were acquired through fraud and bad faith.[206] It is well settled that an action for reconveyance of fraudulently registered real property prescribes in 10 years reckoned from the date of the issuance of the certificate of title.[207]

To recall, Ligaya's OCT No. P-8676 was issued on January 19, 1979, while Lito's OCT No. P-13369 was issued

on December 18, 1991. Thus, respondents had until January 19, 1989, to file an action against Ligaya and until December 18, 2001, to file an action against Lito. Verily, respondents were already barred from recovering possession of Lot 2441 from petitioners.

In contrast, petitioners' counterclaim against respondents, which is akin to an action to quiet title, has not yet prescribed.

An action to quiet title, which is governed by the second paragraph of Section 1, Rule 63 of the Rules of Court, is a common law remedy grounded on equity.[208] The indispensable requisites of an action to quiet title are the following: "(1) the plaintiff or complainant has a legal or an equitable title to or interest in the real property subject of the action; and (2) the deed, claim, encumbrance, or proceeding claimed to be casting cloud on his title must be shown to be in fact invalid or inoperative despite its prima facie appearance of validity or legal efficacy." [209]

In the case, the counterclaim of petitioners sufficiently proved these two requisites: (i) they have a legal right over their respective properties by virtue of their respective Torrens titles (OCT No. P-8676 and TCT No. T-291638); and (2) Rosario's TCT No. T-16309 was derived from OCT No. O-143, a void title.

In *David v. Malay*, [210] the Court ruled that persons in actual possession of a piece of land under claim of ownership may wait until their possession is disturbed or their title is attacked before taking steps to vindicate their right, and their undisturbed possession gives them the continuing right to seek the aid of a court of equity to ascertain and determine the nature of the adverse claim of a third party and its effect on their title. [211] Considering that petitioners were in possession of the disputed portions of Lot 2441, their action to annul Rosario's TCT, which is akin to an action to quiet title, is therefore not barred by prescription. To hold otherwise would be to punish the diligent possessor and reward the absentee claimant, turning the very purpose of equity on its head.

Citing *David*, the Court ruled in *Heirs of Santiago v. Heirs of Santiago* [212] that the one-year period under Section 32 of Presidential Decree No. 1529 "does not apply when the person seeking annulment of title or reconveyance is in possession of the lot." [213] In the same vein, petitioners are not barred from seeking the nullity of OCT No. O-143 and TCT No. T-16309 because they are in actual possession of their respective properties under claim of ownership.

In addition to extinctive prescription, respondents' action against petitioners is likewise barred by laches. Laches is defined as the "failure or neglect for an unreasonable or unexplained length of time to do that which by exercising due diligence, could or should have been done earlier warranting a presumption that he has abandoned his right or declined to assert it." [214]

It is undisputed that respondents and their predecessors-in-interest never occupied and cultivated Lot 2441. As between the parties, the Court lends more credence to petitioners' contention that Ligaya met with Judge Escovilla and Vicente regarding the present controversy sometime in May 1995, as this was supported by the testimony of third-party witnesses. Meanwhile, respondents' contention that they learned of the existence of Rosario's TCT No. T-16309 sometime in September 2006, [215] was belied by the declaration of Natividad and Judge Escovilla in their Joint Affidavit that they had a meeting with Ligaya and Atty. Artes about the present controversy, [216] considering that Atty. Artes died on June 18, 1999. [217]

Verily, the long inaction of respondents and their predecessors-in-interest in exercising their rights of ownership over Lot 2441 barred them from recovering portions of Lot 2441 which were likewise covered by petitioner's Torrens titles. Thus, even assuming *arguendo* that Rosario's title is a valid title, respondents' action for quieting of

title is already barred by extinctive prescription and laches.

Lastly, the Court finds that petitioners did not employ fraud in securing their respective titles. Considering that Sison withdrew his claim over Lot 2441 in the cadastral proceeding, coupled with the 1st Endorsement from CFI Davao and DENR Examination Report showing that the cadastral proceeding is still pending on September 5, 1977, they could not have known that Sison was able to secure a Torrens title in his name on March 10, 1961. More, petitioners and their predecessors-in-interest possessed and cultivated Lot 2441 even prior to July 4, 1945, and petitioners were in open, continuous, adverse, and peaceful possession of their respective lots until respondents filed their Original Complaint on March 23, 2007. In comparison, the irregularities in the registration of Lot 2441 in the name of Sison have been established by overwhelming evidence on record.

In fine, as between petitioners, who are registered owners and actual occupants of their respective lots, and respondents, whose earlier title was derived from OCT No. O-143, a spurious and void title, petitioners' rights shall prevail.

ACCORDINGLY, the Petition for Review on Certiorari is hereby GRANTED. The Decision dated June 29, 2017, and the Resolution dated April 25, 2018, of the Court of Appeals in CA-G.R. CV No. 03961-MIN, and the Decision dated February 3, 2015, of Branch 16, Regional Trial Court, Davao City in Civil Case No. 31,786-07 are REVERSED and SET ASIDE.

The Complaint for Quieting, Annulment of Title, Conveyance and Attorney's Fees filed by respondents Heirs of Joaquin L. Maypa and Rosario N. Maypa, represented by Dr. Natividad Maypa-Escovilla in Civil Case No. 31,786-07 is DISMISSED, while the counterclaim filed by petitioners Ligaya O. Ancheta and Lito O. Ancheta in the same case is REINSTATED and GRANTED.

Accordingly, the issuance of Original Certificate of Title No. O-143 in the name of Tomas Sison and the issuance of Transfer Certificate of Title No. T-16309 in the name of Rosario N. Maypa are hereby ORDERED ANNULLED. The Register of Deeds is DIRECTED to CANCEL Transfer Certificate of Title No. T-16309.

SO ORDERED.

Caguioa (Chairperson), Gaerlan, Dimaampao, and Singh, JJ., concur.

[1] Rollo, pp. 16-43.

[2] Id. at 85-93. Penned by Associate Justice Edgardo A. Camello and concurred in by Associate Justices Rafael Antonio M. Santos and Ruben Reynaldo G. Roxas of the Twenty-Second Division, Court of Appeals, Cagayan de Oro City.

[3] Id. at 109-110. Penned by Associate Justice-Edgardo A. Camello and concurred in by Associate Justices Edgardo T. Lloren and Ruben Reynaldo G. Roxas of the Special Former Twenty-Second Division, Court of Appeals, Cagayan de Oro City.

[4] RTC records, p. 3.

[5] Id. at 11.

[6] Id. at 4.

[7] Id. at 454-455.

[8] "Tomas Hizon" in some parts of the rollo.

[9] RTC records, p. 455.

[10] Id. at 13-14.

[11] Id. at 4.

[12] Id. at 14-16.

[13] Id. at 5.

[14] Id. at 3-19

[15] Id. at 6.

[16] Id. at 30-39.

[17] "Angaod Laod" and "Angaod (Bagobo)" in some parts of the rollo.

[18] RTC records, pp. 31-32.

[19] Id. at 33-34.

[20] Id. at 35.

[21] "Imbangan Malod" in some parts of the rollo.

[22] RTC records, p. 33.

[23] Id. at 19-20, Petition.

[24] Id. at 54.

[25] Id. at 55.

[26] Id. at 34.

[27] Id. at 33-34.

[28] Id. at 35-36.

[29] Id. at 37.

[30] Id. at 58-64.

[31] Id. at 59.

[32] 502 Phil. 40 (2005).

[33] Id. at 46; RTC records, p. 60.

[34] RTC records, p. 61.

[35] SECTION 47. Registered land not subject to prescription. – No title to registered land in derogation of the title of the registered owner shall be acquired by prescription or adverse possession.

[36] Or "The Property Registration Decree." Approved on June 11, 1978.

[37] ARTICLE 1141. Real actions over immovables prescribe after thirty years. This provision is without

prejudice to what is established for the acquisition of ownership and other real rights by prescription.

[38] RTC records, p. 62.

[39] SECTION 48. Certificate not subject to collateral attack. – A certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law.

[40] RTC records, p. 62.

[41] Id.

[42] SECTION 1. Who may file petition. – Any person interested under a deed, will, contract or other written instrument, whose rights are affected by a statute, executive order or regulation, ordinance, or any other governmental regulation may, before breach or violation thereof, bring an action in the appropriate Regional Trial Court to determine any question of construction or validity arising, and for a declaration of his rights or duties, thereunder.

An action for the reformation of an instrument, to quiet title to real property or remove clouds therefrom, or to consolidate ownership under Article 1607 of the Civil Code, may be brought under this Rule.

[43] RTC records, pp. 61-63.

[44] Id. at 60.

[45] Id. at 26-27. See Motion to Declare Defendant DENR in Default dated May 28, 2007.

[46] Id. at 28.

[47] Id. at 79-80.

[48] Id. at 81-86.

[49] Id. at 85.

[50] Id. at 83.

[51] Id. at 106-115.

[52] Id. at 106.

[53] Id.

[54] Id. at 108.

[55] Id.

[56] Id. at 107.

[57] Id. at 112.

[58] SECTION 3. Definition of Terms. – For purposes of this Act, the term....

(h) "Confidential information" means any information, relative to the subject of mediation or arbitration, expressly intended by the source not to be disclosed, or obtained under circumstances that would create a reasonable expectation on behalf of the source that the information shall not be disclosed. It shall include (1) communication, oral or written, made in a dispute resolution proceedings, including any memoranda, notes or work product of the neutral party or non-party participant, as defined in this Act; (2) an oral or written statement

made or which occurs during mediation or for purposes of considering, conducting, participating, initiating, continuing or reconvening mediation or retaining a mediator; and (3) pleadings, motions, manifestations, witness statements, reports filed or submitted in an arbitration or for expert evaluation[.]

[59] Titled. "Alternative Dispute Resolution Act of 2004," approved on April 2, 2004.

[60] RTC records, pp. 109-111.

[61] Id. at 472-474.

[62] Id. at 463-468.

[63] Id. at 469-470.

[64] Id. at 471.

[65] Id. at 453.

[66] Id. at 458.

[67] Id. at 459.

[68] Id. at 460.

[69] Id. at 461.

[70] Id. at 458.

[71] 563 Phil. 329, 336 (2007).

[72] RTC records, p. 474.

[73] Id. at 463.

[74] Id. at 617.

[75] Id. at 619.

[76] Id. at 620.

[77] Id. at 697.

[78] Id. at 621, 699.

[79] Id. at 622-623.

[80] Id. at 624.

[81] Id. at 625-626.

[82] Id. at 627.

[83] Id. at 628.

[84] Id. at 629.

[85] Id. at 649.

[86] Id. at 630-632.

- [87] Id. at 633.
- [88] Id. at 635, 637.
- [89] Id. at 634, 636.
- [90] Id. at 458.
- [91] Id. at 648.
- [92] Id. at 650-653.
- [93] Id. at 698-699.
- [94] Id. at 642-647.
- [95] Id. at 646.
- [96] Id. at 654-667.
- [97] Id. at 681-685.
- [98] Id. at 686-690.
- [99] Id. at 677-680.
- [100] Id. at 672-676.
- [101] Id. at 677-678, 686-689.
- [102] Id. at 672-675.
- [103] Id. at 681-683.
- [104] Rollo, pp. 44-53.
- [105] Id. at 53.
- [106] Id. at 49.
- [107] Id. at 51-52.
- [108] Id at 44-53.
- [109] CA rollo, pp. 39-53.
- [110] Rollo, pp. 85-93.
- [111] Id. at 90-91.
- [112] 110 Phil. 823 (1962).
- [113] 520 Phil. 973, 980 (2006).
- [114] Rollo, pp. 91-92.
- [115] CA rollo, pp. 238-250.
- [116] Rollo, pp. 109-110.
- [117] Id. at 23-29.

- [118] Id. at 21.
- [119] Id at 29-34.
- [120] Id. at 33.
- [121] Id. at 35-36, citing *Firaza. Sr. v. Sps. Ugay*, 708 Phil. 24, 28-29 (2013).
- [122] Rollo, pp. 36-37.
- [123] Id. at 141-143.
- [124] Id. at 143.
- [125] *International Exchange Bank v. Lee*, 924 Phil. 525, 536 (2022).
- [126] See RULES OF COURT, Rule 45, sec. 1.
- [127] *Alberto v. Sps. Flores*, 896 Phil. 625, 631 (2021).
- [128] *Hrs. of Lopez v. Sps. Empaynado*, 960 Phil. 492, 498 (2024), citing *Ligtas v. People*, 766 Phil. 750, 762-763 (2015).
- [129] *Medina v. Asistio, Jr.*, 269 Phil. 225, 232 (1990) (Emphasis supplied, citations omitted)
- [130] See *Heirs of Yadao v. Heirs of Caletina*, 919 Phil. 833, 857 (2022); *Hrs. of Cardena v. The Christian and Missionary Alliance of the Philippines, Inc.*, 850 Phil. 162, 169-170 (2019); *Lim v. Court of Appeals*, 242 Phil. 41, 47 (1988).
- [131] RTC records, p. 428.
- [132] TSN, Pre-Trial Conference, July 16, 2008, pp. 11-12, 15.
- [133] Id. at 4-5.
- [134] *Cambridge Really and Rcsources Corp. v. Eridanus Development, Inc.*, 579 Phil. 375, 401 (2008).
- [135] RTC records, p. 619.
- [136] Id. at 697.
- [137] Id. at 698-699.
- [138] Id. at 11, 619.
- [139] Id. at 415-420.
- [140] 816 Phil. 554, 577 (2017), citing *Cambridge Realty and Resources Corp. v Eridanus Development, Inc.*, supra note 134, at 395-396.
- [141] See RULES OF COURT, Rule 6, sec. 6. See also *Cabaero v. Cantos*, 338 Phil. 105, 119 (1997); *Sapugay v. Court of Appeal*, 262 Phil. 506, 513 (1990).
- [142] *Cabaero v. Cantos*, id., citing *Vda. De Chua v. Intermediate Appellate Court*, 299 Phil. 105, 115 (1994); *Valisno v. Plan*, 227 Phil. 460, 468 (1986).
- [143] *Firaza, Sr. v. Spouses Ugay*, supra note 121, at 31.
- [144] *North Greenhills Association, Inc. v. Morales*, 816 Phil. 673, 692 (2017), citing *Lafarge Cement Phils., Inc*

v. Continental Cement Corp., 486 Phil. 123, 135 (2004); Quantanilla v. Court of Appeals, 344 Phil. 811, 319 (1997); Alday v. FGU Insurance Corporation, 402 Phil. 962, 972 (2001); Sps. Meliton v. Court of Appeals, 290-A Phil. 257, 264 (1992).

[145] 628 Phil. 418 (2010).

[146] Id. at 425-426. (Citations omitted)

[147] 669 Phil. 304 (2011).

[148] Id. at 321-322.

[149] 387 Phil. 283 (2000).

[150] Id. at 300.

[151] See RTC records, pp. 114-115.

[152] See Hrs. of Arao v. Hrs. of Eclipse, 843 Phil. 391, 405 (2018); Mendiola v. Sangalang, 810 Phil. 734 (2017); Romero v. Singson, 765 Phil. 515, 533 (2015); and Sps. De Guzman v. Agbagala, 569 Phil. 607, 614 (2008).

[153] Eagle Realty Corp. v. Republic, 579 Phil. 355 (2008).

[154] Id. at 371, citing Feliciano v. Zaldivar, 534 Phil. 280, 295 (2006).

[155] 708 Phil. 24 (2013).

[156] Id. at 31.

[157] RTC records, p. 338. Pre-Trial Order.

[158] Id. at 604-616.

[159] Id. at 708, Order dated September 23, 2014.

[160] Id. at 719-722, Memorandum Decision.

[161] Id. at 725. Memorandum Decision.

[162] Spouses Velarde v. Heirs of Concepcion Candari, 931 Phil. 314, 330 (2022).

[163] Approved on February 11, 1913.

[164] Titled, "The Land Registration Act." Approved on November 6, 1902.

[165] See CADASTRAL ACT, sec. 5.

[166] See CADASTRAL ACT, sec. 7.

[167] See Sps. Tan Sing Pan v. Republic, 528 Phil. 623, 631 (2006).

[168] See CADASTRAL ACT, sec. 8.

[169] See CADASTRAL ACT, sec. 5.

[170] See CADASTRAL ACT, sec. 9.

[171] See CADASTRAL Act, sec. 11.

[172] 39 Phil. 996 (1919).

[173] See

[174] 850 Phil. 591 (2019).

[175] See at 611-612.

[176] RTC records, pp. 698-699, Exhibits "56" and "57" of petitioners.

[177] Id. at 633, Exhibit "15-C" of petitioners.

[178] Rollo, p. 625.

[179] See Hrs. of Tabia v. Court of Appeals, 545 Phil. 326, 339 (2007).

[180] Id. at 474.

[181] Javelosa v. Tapus, et al., 835 Phil. 576, 587 (2018).

[182] See Bishop vs. Court of Appeals, 503 Phil. 751, 763-764 (2005).

[183] ARTICLE 1544. If the same thing should have been sold to different vendees, the ownership shall be transferred to the person who may have first taken possession thereof in good faith, if it should be movable property.

Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith first recorded it in the Registry of Property.

Should there be no inscription, the ownership shall pertain to the person who in good faith was first in the possession; and in the absence thereof, to the person who presents the oldest title, provided there is good faith.

[184] 938 Phil. 473 (2023).

[185] Id. at 478-480.

[186] Id. at 486-489.

[187] Id. at 489-490.

[188] Nieto v. Quines, supra note 112 at 831.

[189] Calimpong v. Heirs of Gumela, supra note 113 at 979.

[190] LAND REGISTRATION ACT, sec. 38 states:

SECTION 38. If the court after hearing finds that the applicant or adverse claimant has title as stated in his application or adverse claim and proper for registration, a decree of confirmation and registration shall be entered. Every decree of registration shall bind the land, and quiet title thereto, subject to the exceptions stated in the following section. It shall be conclusive upon and against all persons including the Insular Government and all the branches thereof, whether mentioned by name in the application, notice, or citation, or included in the general description. "To all whom it may concern." Such decree shall not be opened by reason of absence, infancy, or other disability of any person affected thereby, not by any proceeding in any court for reversing judgments or decrees: subject, however, to the right of any person deprived of land or of any estate or interest therein by decree of registration obtained by fraud to file in the competent Court of First Instance a petition for review within one year after entry of the decree, provided no innocent purchaser for value has acquired an interest. Upon the expiration of said term of one year, every decree or certificate of title issued in accordance

with this section shall be incontrovertible. If there is any such purchaser, the degree of registration shall not be opened, but shall remain in full force and effect forever, subject only to the right of appeal hereinbefore provided: Provided, however, That no decree or certificate of title issued to persons not parties to the appeal shall be cancelled or annulled. But any person aggrieved by such decree in any case may pursue his remedy by action for damages against the applicant or any or any other person for fraud in procuring the decree. Whenever the phrase "innocent purchaser for value" or an equivalent phrase occurs in this Act, it shall be deemed to include an innocent lessee, mortgagee, or other encumbrance of value."

[191] See *Nieto v. Quines*, supra note 112 at 833.

[192] SECTION 38. If the court after hearing finds that the applicant has title as stated in his application, and proper for registration, a decree of confirmation and registration shall be entered. Every decree of registration shall bind the land, and quiet title thereto, subject only to the exceptions stated in the following section. It shall be conclusive upon and against all persons, including the Insular Government and all the branches thereof, whether mentioned by name in the application, notice, or citation, or included in the general description "To all whom it may concern[.]"

[193] SECTION 39. Every applicant receiving a certificate of title in pursuance of a decree of registration, and every subsequent purchaser of registered land who takes a certificate of title for value in good faith, shall hold the same free of all encumbrance except those noted on said certificate, and any of the following incumbrances which may be subsisting[.]

[194] See *Hrs. of Arao v. Hrs. of Eclipse*, 843 Phil. 391, 404 (2018); *Calalang v. Register of Deeds of Quezon City*, 301 Phil. 91, 108 (1994).

[195] *Modina v. Court of Appeals*, 376 Phil. 44, 54 (1999).

[196] *Hrs. of Gonzales v. Sps. Basas*, 923 Phil. 95, 116 (2022), citing *Malabanan v. Malabanan, Jr.*, 848 Phil. 438, 461 (2019).

[197] 542 Phil. 39 (2007).

[198] *Id.* at 66-67.

[199] *Sps. Villamil v. Villarosa*, 602 Phil. 932, 941 (2009), citing *Polenciano v. Reynoso*, 449 Phil. 396, 410 (2003). See also *Leong v. See*, 749 Phil. 314, 325 (2014).

[200] *Rollo*, p. 49.

[201] ARTICLE 1106. By prescription, one acquires ownership and other real rights through the lapse of time in the manner and under the conditions laid down by law.

[202] 762 Phil. 492, 505 (2015).

[203] *Id.* at 506.

[204] *Id.*

[205] *Id.*, citing *DBT Mar-Bay Construction, Inc. v. Panes*, 612 Phil. 93, 111-112 (2009); *Feliciano v. Spouses Zaldivar*, 534 Phil. 280, 298-299 (2006); and *Sps. Ragudo v. Fabella Estate Tenants Association, Inc.*, 503 Phil. 751, 763 (2005).

[206] RTC records, p. 82. Amended Complaint.

[207] *Sps. Coronel v. Solis-Quesada*, 864 Phil. 420, 431 (2019).

[208] *Salvador v. Patricia, Inc.*, 799 Phil. 116, 134 (2016).

[209] *Filipinas Esilon Manufacturing Corp. v. Heirs of Llanes*, 850 Phil. 591, 606 (2019), citing *Mananquil v. Moico*, 699 Phil. 120, 127 (2012), *Eland Philippines, Inc. v. Garcia*, 626 Phil. 735, 739 (2010); *Baricuatro, Jr. v. Court of Appeals*, 382 Phil. 15, 25 (2000).

[210] *David v. Malay*, 376 Phil. 825 (1999).

[211] *Id.* at 836.

[212] 452 Phil. 238 (2003).

[213] *Id.* at 252.

[214] *Philippine Carpet Manufacturing Corporation v. Tagyamon*, 723 Phil. 562, 571-572 (2013), citing *GF Equity, Inc. v. Volenzona*, 501 Phil. 153, 166 (2005).

[215] RTC records, p. 82.

[216] *Id.* at 646.

[217] *Id.* at 648.

DISSENTING OPINION

CAGUIOA, J.:

The ponencia reverses the Comi of Appeals (CA) Decision and contrarily finds, among others, that: (i) the physical overlapping of the titles of the parties was sufficiently established; (ii) the party claiming ownership over the property in dispute is not barred by Section 48 of Presidential Decree No. 1529 from assailing the validity of the plaintiffs title via counterclaim; (iii) with respect to the Original Certificate of Title (OCT) of Tomas Sison (Sison), the predecessor-in-interest of respondents Heirs of Joaquin L. Maypa and Rosario N. Maypa, represented by Dr. Natividad Maypa-Escovilla (collectively, respondents), the totality of the evidence presented indicate that it was spurious or otherwise invalid (e.g., the lack of possession, the recorded withdrawal of the cadastral claim, the impossibility of the issuance of a decree from a still pending case), and these irregularities were not disputed by respondents; and (iv) respondents were barred by laches for their long inaction in exercising their ownership rights. The ponencia also notes that it is the decree of registration of the cadastral court that binds the land and that, without it, the resulting OCT is void.

Mainly, the instant case weighs the claims of ownership between a priorly issued OCT in favor of Sison and a subsequent free patent in favor of petitioners Ligaya O. Ancheta and Lito O. Ancheta (together, petitioners).

Branch 16, Regional Trial Court of Davao City (RTC) favored respondents' claim and consequently annulled petitioners' title. Its ruling relied on the completed staff work and testimony of the Land Investigator, which were made on the basis of the survey reports that titles of the parties pertain to the same lot and that the OCT in Sison's name prevailed as it was issued prior to that issued to petitioners.

The CA affirmed the RTC and reminded that the certificate of title acquired via Commonwealth Act No. 141 or the Public Land Law, in case of conflict with another acquired on the same date through a judicial proceeding, must give way to the latter, and that respondents' title, obtained through judicial proceedings, is superior to petitioners' title.

Given the ponencia's reversal of the consistent ruling of both the RTC and the CA, and considering the varying

historicity of the titles in question, I respectfully suggest dissent.

I submit that there is insufficient evidence to support an exception from the general rule that a title that is prior in time is stronger in right, especially given that the discussions of the lower courts appear to be exhaustive in prior primacy of the prior cadastral OCT versus the subsequent free patent.

As the CA found:

Acquisition

Year acquired from the direct predecessor
(TCT date)

Year the patent was granted by the government
(OCT date)

The Maypas

1968

1961, through cadastral proceeding

The Anchetas

1977

1978, through free patent

....

Citing *Merced v. Court of Appeals*, the Supreme Court answered that the title of ownership on the land is vested upon the owner upon the expiration of the period to appeal from the decision of adjudication by the cadastral court, without an appeal having been perfected. The land for all intents and purposes had become, from that time, registered private property which could not be acquired by adverse possession and was, therefore, beyond the jurisdiction of the Land Management Bureau of the DENR (formerly the Bureau of Lands) to subject it to free patent. Not even the President of the Philippines nor his [or her] alter ego, the Director of Lands, has authority to grant a free patent for a land that has ceased to be a public land and has passed to private ownership, and a title so issued is null and void. The nullity arises not from fraud or deceit, but from the fact that the land is not under the jurisdiction of the Bureau of Lands.[1]

Given the foregoing ruling of the CA, amply and correctly supported by jurisprudence, I submit that absent clearer indications of fraud, the ruling of the CA should be affirmed.

In particular, the ponencia traces the deemed irregularity of the OCT of Sison because the certification issued by the then Comi of First Instance of Davao indicated that the cadastral case was still pending when the OCT was issued. On the contrary, as between a certification of pendency issued by the Court of First Instance and an OCT issued by virtue of a cadastral proceeding, the latter must hold sway because a certificate of pendency does not fully negate a consequent valid issuance of an OCT.

For another, the ponencia takes issue with the fact that previous holders of respondents' OCT did not occupy or cultivate the subject land, and that such lack of possession raised doubts. On this point, I submit that the discussion must clarify that possession is not a precondition to ownership, but merely one of the rights thereunder, and a lack of possession, per se, does not erode the strength of an issue presumed valid.

Finally, the ponencia holds that the indicated withdrawal of the cadastral claim negated the validity of the issuance of the OCT therefrom, as the withdrawal typically signifies a formal abandonment of the claim. In addition to the fact that the discussion on this point was not entirely conclusive, it also does not discuss the remaining possibility of a subsequent re-assertion of a cadastral claim which, in this case, also remains a possible cause of the ultimate issuance of the OCT.

Given the foregoing reasons, I submit that in the absence of further exhaustive evidence to erode the strength of the OCT borne of a cadastral proceeding, as well as the presumed regularity of its issuance, the holding of the CA ought to be affirmed.

Accordingly, I vote to DENY the Petition.

[1] Rollo, pp. 90, 92-93.

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