

FORTUNATO HALILI, DOING BUSINESS UNDER THE NAME AND STYLE HALILI TRANSIT

G.R. No. 24864. May 30, 1996

Ponente: HERMOSISIMA, JR., J.

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HERMOSISIMA, JR., J.:

The herein petition was filed by the Halili Bus Drivers and Conductors Union (PTGWO), under the caption of the original case/cases,[1] as it may in fact be considered an incident thereto.

The above-captioned cases were claims for unpaid overtime pay of 897 union members against Fortunato Halili, then doing business under the name and style, Halili Transit which were initially commenced as a complaint[2] with the defunct Court of Industrial Relations on August 20, 1958.

After Fortunato Halili's demise, said cases were settled amicably. The Union and the Administratrix of Fortunato F. Halili's estate reached an Agreement on December 23, 1974, the pertinent portions of which read:

"xxx xxx xxx

WHEREAS, in the face of this strong urging on the part of the Supreme Court Justices upon the parties to put an immediate end to this case by amicable settlement, the parties repeatedly came to conference, conscientiously explored all avenues of settlement, and finally arrived at the tentative agreement (tentative because of the condition that the same be sanctioned by the court in the estate case) whereby the Administratrix would transfer to the employees title to that tract of land, covered by TCT No. 36389, containing an area of approximately 33,952 square meters, situated in the Barrio of San Bartolome, Municipality of Caloocan, Province of Rizal, and pay in addition the cash amount of P25,000.00 in full and final satisfaction of all the claims and causes of action of all of the employees against the estate of Fortunato F. Halili, subject of CIR Case No. 1099-V.

xxx xxx xxx

'NOW, THEREFORE, for and in consideration of the foregoing and of the covenants, stipulations and undertakings hereinafter contained, the parties have agreed as follows:

1. The UNION, its officers and members-claimants relative to CIR Case No. 1099-V. shall withdraw and dismiss with prejudice Case No. 1099-V filed by the UNION in behalf of its members-claimants before the Court of Industrial Relations and all its incidents thereto.

2. The ESTATE shall deliver or cause to be delivered, to the UNION the following:

(a) Deed of Transfer of a parcel of land situated in Barrio San Bartolome, Caloocan City, containing an area of THIRTY-THREE THOUSAND NINE HUNDRED FIFTY-TWO (33,952) Square Meters, more or less, and covered by Transfer Certificate of title No. 35389 of the Registry of Deeds of Rizal, to be made, upon authority and approval granted by the Court of First Instance of Rizal, Branch IV, at Quezon City, in Proc. No. Q-10852 in the name of the Halili Bus Drivers & Conductors Union (PTGWO), free from any and all liens,

encumbrances, and any and all claims whatsoever.

(b) Negotiable Check for TWENTY-FIVE THOUSAND (P25,000.00) PESOS in the name of Domingo D. Cabading, President of the UNION.

3. The transfer of the above-described parcel of land and receipt of the amount of P25,000.00 constitute the full and final satisfaction of the claims and award in said CIR Case No. 1099-V, as well as any and all attorney's liens in said case, for and in consideration of which the UNION members- claimants in CIR Case No. 1099-V by these presents now and forever release and quitclaim Halili Enterprises, Halili Transit, Fortunato F. Halili, his estate, heirs and successors by reason of CIR Case No. 1099-V, it being their intention that they be absolutely, completely and finally absolved and released from any and all liability in said case, including attorney's liens, the transfer of the property and payment of the amount hereinabove stated constituting for all intents and purposes a full, final and complete settlement and satisfaction of the award in CIR Case No. 1099-V and all incidents thereto.

4. The UNION and its undersigned officers hereby warrant that the UNION is a duly registered labor organization and that in a special meeting called for the purpose they were duly authorized on December 22, 1974, by all the members-claimants in CIR Case No. 1099-V to sign this Memorandum of Agreement with Release and Quitclaim which was unanimously approved and ratified by said members-claimants as evidenced by a Resolution dated December 22, 1974, a copy of which is attached hereto and made a part hereof as Annex 'B', and hereby jointly and severally hold the estate and heirs of Fortunato F. Halili free and harmless from, and undertake to indemnify them for any and all liability for any claims by members of the UNION, their heirs, assigns and agents relating to CIR Case No. 1099-V or attorney's liens in connection therewith' (69 SCRA 509- 510)."[3]

On January 6, 1975, pursuant to the abovementioned Agreement, the Administratrix of the Estate of Fortunato F. Halili executed a Deed of Conveyance of Real Property, transferring the aforementioned parcel of land to the Halili Bus and Conductors Union (PTGWO) in trust for the individual members of the Union claimants.

The parcel of land covered by the said Deed of Conveyance was registered without encumbrance in the name of the said Union on February 14, 1975 under Transfer Certificate of Title No. 205755.[4]

On August 9, 1982, the said Union, through its legal counsel, Atty. Benjamin C. Pineda, filed an urgent motion with the then Ministry of Labor and Employment (MOLE) requesting that authority be granted to sell and dispose of the property.

On September 23, 1982, the MOLE acting through Labor Arbiter Raymundo R. Valenzuela, granted the Union's motion to sell the subject property.

Thereafter, Atty. Benjamin C. Pineda filed a motion with the Supreme Court on December 1, 1982, requesting authority to sell the property. This Court, however, merely noted the motion in a Resolution dated December 8, 1982.

Relying on the earlier authority given him by the Ministry of Labor, Atty. Pineda subsequently filed another urgent motion with the MOLE, this time praying that the Union be authorized to sell the lot to the respondent herein Manila Memorial Park Cemetery, Inc. (MMPCI, for brevity).

In an Order, dated February 9, 1983, Labor Arbiter Valenzuela, for the MOLE, likewise granted the motion to sell the subject property to MMPCI.

The sale of the property held in trust by the seller-Union to the buyer-MMPCI was finally consummated on June 7, 1983.

On the basis of the Order of Arbiter Valenzuela and the Deed of Sale between the Union and MMPCI, Transfer Certificate of Title No. 205755 in the name of the Union was canceled and said property was registered in the name of respondent MMPCI, under Transfer Certificate of Title No. 301151 by the Register of Deeds of Quezon City on June 14, 1983.

Significantly, however, the Orders, dated September 23, 1982 and February 9, 1983, issued by Labor Arbiter Valenzuela which granted the two motions of the Union's former counsel, Atty. Benjamin C. Pineda, for an authority to sell the real property awarded to the Union, were set aside by this Court in a Resolution, dated October 18, 1983, to wit:

"[A]nd considering that, as affirmed by the Solicitor General, the challenged orders of Arbiter Raymundo R. Valenzuela dated September 23, 1982 and February 9, 1983, were issued without due process of law, the COURT RESOLVED (1) to set aside as null and void said orders of September 23, 1982 and February 9, 1983 of Arbiter Raymundo R. Valenzuela x x x.[5]

On the basis of this Resolution nullifying the above orders of the Labor Arbiter, the Union filed a complaint with the National Labor Relations Commission (NLRC) seeking to compel the buyer, private respondent Manila Memorial Park Cemetery, Inc., to reconvey the Union's property bought by MMPCI from Atty. Pineda upon the ground that the latter sold it without proper authority from the Supreme Court.

The Chief of the Legal and Enforcement Division of the NLRC, tasked to act on the complaint, refused to take cognizance of the case for lack of jurisdiction, viz:

"The instant complaint does not fall under the jurisdictional ambit of this Commission (NLRC) or any labor forum. It is our considered view that the cause of action raised herein is a proper subject of the regular courts."[6]

Hence, the Union filed this Petition/Motion with Prayer for Clarification, through which it seeks, among others, the recovery of subject real property comprising of 33,952 square meters sold to respondent MMPCI, to wit:

"3. That the Petition/Motion with Prayer for Clarification in this subject complaint claim for recovery of the Union Real Property in trust as provided in the provisions in the Union General Resolution dated January 21, 1986, was a valid and verified cause of action of the union-members/co-owners of the said union real property in trust to be recovered and take possession due to the ground that the sale of said union real property was sold by persons without authority to sell from the owners of said property or acquired authority to sell from the Supreme Court or Court of jurisdiction being that this union real property in trust was sold in a means of purely illegal sale."[7]

The petition has no merit.

I

Article 217 of the Labor Code, as amended by Section 9 of Republic Act 6715 delineates the scope of jurisdiction of the National Labor Relations Commission and the Labor Arbiters, to wit:

"ART. 217. Jurisdiction of Labor Arbiters and the Commission (a) Except as otherwise provided under this Code the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:

1. Unfair labor practice cases;

2. Termination disputes;
3. If accompanied with a claim for reinstatement, those cases that workers may file involving wages, rates of pay, hours of work and other terms and conditions of employment;
4. Claims for actual, moral, exemplary and other forms of damages arising from the employer-employee relations;
5. Cases arising from any violation of Article 264 of this Code, including questions involving the legality of strikes and lockouts; and
6. Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims, arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless of whether accompanied with a claim for reinstatement.

(b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters.

(c) Cases arising from the interpretation or implementation of collective bargaining agreements and those arising from the interpretation or enforcement of company personnel policies shall be disposed of by the Labor Arbiter by referring the same to the grievance machinery and voluntary arbitration as may be provided in said agreements."

The subject matter of the instant petition, which is the reconveyance of the disputed real property to the Union by the respondent MMPCI does not fall under any of the issues cognizable by the NLRC as enumerated in Article 217 of the Labor Code. Hence, the public respondent NLRC committed no error in dismissing the complaint brought before them by the petitioner Union for the simple reason that said Tribunal has no jurisdiction to entertain the same.

II

The fact that the subject real property was registered under the Torrens System of registration in the name of respondent MMPCI under Transfer Certificate of Title No. 301151 by the Register of Deeds of Quezon City on June 14, 1983, makes the instant petition all the more dismissible, considering that the best proof of ownership of a piece of land is the Certificate of Title.[8]

Section 48 of Presidential Decree No. 1529, otherwise known as the Property Registration Decree provides:

"SEC. 48. Certificate not subject to collateral attack. -A certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or canceled except in a direct proceeding in accordance with law."

A certificate of title accumulates in one document a precise and correct statement of the exact status of the fee held by its owner. The certificate, in the absence of fraud, is the evidence of title and shows exactly the real interest of its owner. The title once registered, with very few exceptions, should not thereafter be impugned, altered, changed, modified, enlarged, or diminished, except in some direct proceeding permitted by law. Otherwise, all security in registered titles would be lost.[9]

In the present petition, the Union seeks from respondent MMPCI the recovery of the subject property. It is evident that the objective of such claim is to nullify the title of private respondent to the property in question, which thereby challenges the judgment pursuant to which the title was decreed. This is apparently a collateral attack which is not permitted under the principle of indefeasibility of a Torrens Title. It is well settled that a Torrens Title cannot be collaterally attacked. The issue on the validity of title, i.e., whether or not it was fraudulently issued, can only be raised in an action expressly instituted for that purpose. Hence, whether or not petitioners have

the right to claim ownership of the land in question is beyond the province of the instant proceeding.[10]

III

Furthermore, all portions of said land, now known as Holy Cross Memorial Park, have already been sold out to individual lot buyers, who are innocent purchasers for value, and contain the interred remains of the lot owners and/or their relatives. Where innocent third persons, relying on the correctness of the Certificate of Title thus issued, acquire rights over the property, the Court cannot disregard such rights and order the total cancellation of the certificate. The effect of such an outright cancellation would be to impair public confidence in the Certificate of Title, for everyone dealing with property registered under the Torrens System would have to inquire in every instance as to whether the title has been regularly or irregularly issued by the Court. And this is contrary to the evident purpose of the law. Every person dealing with registered land may safely rely on the correctness of the Certificate of Title issued there for and the law will in no way oblige him to go behind the certificate to determine the condition of the property.[11]

IV

As adverted to earlier, ownership of the lot in question had already been vested in the Union upon sale to it by the Heirs of Halili. Considering this, the Union had every right to dispose of the property. After the termination of the above-entitled cases, judgment therefor having become final and executory, even as of 1982, neither the NLRC nor this Court will have any authority to look into the validity of the disposal by the Union of the property so acquired by the Union in the proceedings. Under the circumstances, therefore, it is to be assumed that the sale by the Union, as virtual owner of the property, to the respondent MMPCI would not need any authority to sell from the NLRC or from this Court and we hereby write *finis* to these cases in order to avoid multiplicity of suits and considering that these cases were instituted as early as 1958.

WHEREFORE, the instant petition is DISMISSED for lack of merit.

Costs against the petitioner.

SO ORDERED.

Narvasa, C.J., Padilla, Regalado, Davide, Jr., Romero, Bellosillo, Melo, Puno, Vitug, Kapunan, Mendoza, Francisco, Panganiban, and Torres, Jr., JJ., concur.

[1] 136 SCRA 112 [1985].

[2] Docketed as CIR Case No. 1099-V.

[3] Rollo, pp. 5-9.

[4] Rollo, p. 59.

[5] L-24864; L-27773; L-38655.

[6] Comment of Public Respondent National Labor Relations Commission, p. 9.

[7] Rollo, p. 38.

[8] *Heirs of George Bofill v. Court of Appeals*, 237 SCRA 452 [1994].

[9] *Constantino v. Espiritu*, 45 SCRA 557 [1972].

[10] Co vs. Court of Appeals, 196 SCRA 705 [1991].

[11] Pefla, Peña, Jr., Pena, Registration of Land Titles and Deeds, 1994 Revised Edition, p. 145

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