

PABLO CHOZAS AND EUGENIA BUNDALIAN, APPLICANTS, VS. JUAN T. CRUZ, PETITIONER AND APPELLEE, AND CEFERINO CATIPON, RESPONDENT AND APPELLANT.

G. R. No. 33862. November 11, 1931

Ponente: ROMUALDEZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-33862/>

ROMUALDEZ, J.:

At the instance of Juan T. Cruz, who filed a petition which was answered by Ceferino Catipon and heard by the Court of First Instance of Laguna, the decrees issued in this proceeding in connection with certificates of title Nos. 6906 and 6908 were set aside on the ground of fraud in obtaining them, and it was ordered that new decrees be issued in the name of Pablo Chozas and his wife, noting Juan T. Cruz's right to the property on the proper certificates of title, as appears from the deeds Exhibits A-Cruz and B-Cruz.

Ceferino Catipon appealed from that decision assigning the following alleged errors as committed by the trial court:

- In finding that the document Exhibit 1-Catipon evidencing a sale with the right of repurchase (*venta con pacto de retro*) executed by Pablo Chozas in favor of the appellant Ceferino Catipon was fraudulent and fictitious.
- In failing to find that the appellant Ceferino Catipon was a purchaser for value.
- In finding that the appellant connived with Pablo Chozas to defraud and prejudice the appellee Juan T. Cruz.
- In finding that the appellant bought the land in question '*con pacto de retro*' from Pablo Chozas knowing that the same was previously sold to the appellee.
- In failing to find that the appellant was a purchaser in good faith.
- In giving undue credence to the testimony of Pablo Chozas, Juan T. Cruz and his witnesses, and in disregarding the testimony of the appellant and his witnesses.
- In revoking the decree of registration issued in favor of Pablo Chozas, in so far as the original certificate of title No. 6906 was concerned in ordering the issuance of another decree in favor of Pablo Chozas and his wife Eugenia Bundalian and in directing that the rights of Juan T. Cruz over the property in question be duly noted in the corresponding certificate of title.
- In denying the motion for a new trial."

Pablo Chozas and his wife, Eugenia Bundalian, sold two parcels of land to Juan T. Cruz in May, 1926, subject to repurchase. In December of that year they applied for the registration of those parcels of land without stating or otherwise informing the court of the fact that they had been sold to Juan T. Cruz, thereby succeeding in having the decrees of title to the realty issued free from any lien or incumbrance. Two original certificates of title were issued: No. 6906 in the name of Pablo Chozas covering one of the parcels sold to Juan T. Cruz and another, No.

6908 in the name of the spouses, Pablo Chozas and Eugenia Bundalian, covering the other parcel sold to said Cruz.

Subsequently, Pablo Chozas sold the four parcels of land covered by certificate of title No. 6906 to Ceferino Catipon subject to repurchase, and among these parcels was the one previously sold to Juan T. Cruz under a repurchase covenant. The sale to Ceferino Catipon was endorsed upon the certificate of title, whereas that to Juan T. Cruz had not been recorded in any manner.

Upon learning of the conveyance to Catipon and its registration, Cruz filed a motion for review within the year following the issuance of the decrees, based on the provisions of section 38, Act No. 496, alleging that he had been defrauded by means of the false statement in the petition for registration to the effect that the two parcels of land sold to him under a repurchase covenant were free of all liens and encumbrances, and because the court had not been informed of the conveyance to him, and likewise alleging that the second vendee, Ceferino Catipon, was not an innocent purchaser because knowing of the sale to the appellant Cruz, he arranged with Pablo Chozas to simulate, as indeed they did, the aforesaid sale executed by Chozas to said Catipon.

The court having finally decided that the motion had been filed within the year following the date of the decrees of title, Ceferino Catipon filed an answer alleging that he was an innocent purchaser in good faith and for a consideration.

The Court of First Instance heard the motion, found it to be well-grounded, and rendered judgment as heretofore stated, in favor of Juan T. Cruz.

After a careful examination of the evidence we find that Pablo Chozas did really conceal the sale to Juan T. Cruz fraudulently, thereby effecting the registration of the title to those two parcels so conveyed in his name and that of his wife, as if they were free of all encumbrances. Chozas' testimony, which bears out the allegations of fraud in the motion for review, is sufficiently corroborated and, to our mind, preponderates that adduced by the appellee.

In his brief the latter lays great stress upon the improbability that he should have connived with Chozas for the purpose indicated, both because of the little profit that would accrue to him, and because of the slight reason for expecting that Cruz would make up his mind to repurchase the lots upon learning of their conveyance to Catipon. The latter would unquestionably have had the advantage of collecting his P4,000 credit, which Chozas had not paid for lack of funds. We are fully alive to the fact that properly considered, such an advantage should not have led anybody to commit a fraud; but we also take into account the fact that if the end of a certain act is not as advantageous as it might be, it does not mean that such an act would not be performed.

The good which attracts the will and moves it to execute a human act is not always real, it is sometimes apparent, and man sometimes fails to consider how far short of his expectations an act of his may take him.

Pablo Chozas is also, in a measure, corroborated by the fact that the deeds Exhibits 4-Catipon and 13-Catipon purporting to have been delivered to Chozas and thereby rendered nugatory as a part consideration of the P12,500 which was the selling price of the transaction with a covenant to repurchase, had not been cancelled. The testimony given by the notary Gesmundo is not borne out by his monthly report, according to the clerk of court Rosales, or by the records in the proper registry of deeds, according to the witness Bala.

With reference to the alleged debt of P2,060 set forth in Exhibit 4-Catipon, we cannot consider it sufficiently proved that this document is genuine. Pablo Chozas' so-called signature at the foot of the deed is different from the genuine signatures in that it lacks the middle initial "M" found in all the others. This detail together with the preponderance of the parol evidence prevents the court from admitting the deed as genuine, and adds weight to the petitioner's evidence.

It is not necessary to take up the remaining errors one by one. For the purposes of this judgment, it is merely held that upon the whole the appellee has sufficiently proved the alleged fraud, and that the appellant was not an innocent purchaser.

As for the relief granted by the trial court, we are of opinion that it was improper to annul the whole sale evidenced by the deed Exhibit 1-Catipon, inasmuch as the reasons advanced for its annulment do not affect the parcels of land not sold to Juan T. Cruz, but the deed of sale should be declared null and void only so far as it refers to the fourth parcel of land, which is the one sold to the appellee.

It is also unnecessary to set aside the decrees of registration ; in order to protect the appellee's right it is sufficient to endorse upon the proper certificates of title a note of the sale made to him as a superior and preferent conveyance, and there is no need to issue new certificates of title.

Wherefore, modifying the judgment appealed from in so far as it is not in harmony with this decision, it is hereby declared that the sale with the right to repurchase of the fourth parcel on certificate of title No. 6906, executed by Pablo Chozas, and evidenced by the deed Exhibit 1-Catipon, is null and void; and let the sale with the repurchase covenant made by Pablo Chozas and his wife to Juan T. Cruz as evidenced by Exhibits A-Cruz and B-Cruz, be endorsed upon the certificates of title No. 6906 and No. 6908 as a superior and preferent conveyance. Without express pronouncement of costs. So ordered.

Avanceña, C. J., Johnson, Street, Malcolm, Villamor, Ostrand, Villa-Real, and Imperial, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

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

The complete Philippine law library - free for everyone.

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

Audio case-brief lectures.

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

Bar review built on the science of memory.

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

The full law-school curriculum.

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

Mock exams that tell you where you stand.

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

A study planner that keeps you on pace.

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

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

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

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

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