

JUSTO GUIDO ET AL., PLAINTIFFS AND APPELLEES, VS. AGUSTIN DE BORJA ET AL., DEFENDANTS AND APPELLANTS.

G.R. No. 4013. February 04, 1909

Ponente: ARELLANO, C.J.

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ARELLANO, C.J.:

This action was instituted by the heirs and successors of Francisco Guido and Dominga Santa Ana, to recover the ownership and possession of the hacienda of Angono, against the defendants, who, being tenants of the said hacienda until the year 1903, denied the ownership of the plaintiffs and themselves pretended to be the owners of the hacienda. The Court of First Instance of the Province of Rizal rendered final judgment, the findings of which, impugned upon appeal by the defendants, are the following:

1. That the ownership and possession of the hacienda of Angono, as it appears described in the decision of said court, in accordance with the amended complaint, pertains to Justo Guido, Juliana Guido, Buenaventura Guido and other participants with them in said hacienda; by virtue thereof the court below ordered the defendants to restore said possession to the plaintiffs,
2. That the fruits or crops and plantings of the defendants on the said hacienda of Angono do not belong to the plaintiffs, and in lieu thereof the court below sentences each one of the defendants respectively to pay the plaintiffs and their participants such sums in money and paddy as they may owe them, as itemized in the statements attached to the complaint under the numbers 1, 2, 3, and
4. A list of the names of the defendants with a statement of the respective amounts to the payment of which they were sentenced, follows.
3. That the costs of this suit should be paid by the defendants. By virtue of their appeal to this court the defendants and appellants presented in their -brief the following assignment of errors:

"I. The lower court erred in considering that all the defendant appellants are properly joined in the complaint of the plaintiff appellees.

"II. The lower court erred in holding that it had jurisdiction of the claim brought by the plaintiff appellees.

"III. The lower court erred in declaring that the ownership and possession of the land in question by the plaintiff appellees had been proven.

"IV. The lower court erred in declaring that it had been proven that all the defendant appellants were tenants and lessees on shares of the hacienda of Angono.

"V. The lower court erred in considering as proven that the defendant appellants owe the plaintiff appellees for ground rent, or for lease on shares, the amounts in money and in products which are itemized in the statements Nos. 1, 2, 3, and 4 attached to the complaint."

The two first errors are of form or procedure, and the three following deal with the merits of the case; beginning

with the last three, let us discuss the third error:

THIRD ERROR.

The ownership of the appellees, with respect to the hacienda of Angono, is discussed in this point; the appellants produce the documentary evidence, Exhibits A, B, C, 6, 7, 8, 9, and D, which constitute principally the titles of ownership of the appellees; and in brief, they say that it is necessary to consider the hacienda as divided in two parts-one-half corresponding to Francisco Guido and the other half to Dominga Santa Ana, the principals, as has been said, of the appellees.

With regard to the whole of the hacienda and of the original titles of acquisition thereto, which are in no way impugned, it is now alleged by the appellants: 1. That originally the estancia or small farm of Angono was granted to General Don Domingo Antonio de Otero Bermudez, who was a Spaniard, to the prejudice of the inhabitants of Angono, who were Indios, in violation of laws 7 and 8, title 12, book 3 [4], of the Recopilacion de las Leyes de Indias; and that when the title was issued, with royal approval, in favor of the Al feres Real Don Andres Blanco Berinudez, as successor to Don Domingo Antonio de Otero Berinudez, it was done without prejudice to third persons who might show a better right, which indicates that the ownership and possession of Don Andres Blanco Bermudez were not absolute.

With reference to the half of the hacienda derived from Francisco Guido, the appellants allege that the said half is not entered in the registry of property, and that, according to article 23 of the Mortgage Law, the titles cannot prejudice third persons. The said article provides that:

"The instruments mentioned in articles 2 and 5 which are not duly recorded or entered in the registry can not prejudice third persons.

"The record of real property and property rights, acquired throiv4'h an inheritance or legacy, shall not prejudice third persons until five years have elapsed since the date thereof, excepting in cases of testate or intestate inheritances, legacies and additions thereto (mejoras), when left to legal heirs."

Therefore, the defendants being third parties with respect to the plaintiffs, the titles of property presented by the latter can not prejudice the former.

With respect to the other half derived from the succession of Dominga Santa Ana, it is alleged that, although the possession is recorded in the registry of property, as such registration dates only from the 15th of July, 1899, it can not convert the title of possession into a title of ownership except at the expiration of twenty years, according to the provisions of article 393 of the Mortgage Law, and consequently the present title is not one of ownership.

The original title to the whole hacienda of Angono is by composicion and royal approval issued on the 16th of December, 1749, and 15th of September, 1752; the former being an order of the following tenor:

"ORDER.-In the farmhouse of the hacienda of Angono, which is in the Province of La Laguna de Bay, on the 16th day of the month of December in the year 1749, the Señor Licenciado Don Pedro Calderon Enriquez, of His Majesty's council, oidor (associate justice) of the Real Audiencia of these Islands and special judge of tire Commission for the sale and composition of lands in the whole district thereof. Having seen the instruments of title that General Don Domingo Antonio de Otero Bermudez has produced for the purpose of substantiating the legitimate ownership and possession that he has of the so-called hacienda of Angono, together with the other lands and estancia of Binangonan and the lime quarries of San Guillermo, all of them consolidated under the name of hacienda and estancia of Angono, with the acknowledgment and declaration which, in view of the said original documents, was made by Señor Don Juan de Ozaeta y Oro, who was a member of His Majesty's

council, oidor of the Real Audiencia of these Islands, and special judge of the said land commission for the year 1699, approving the said titles and holding the same to be good; and having also seen the record of the proceedings instituted by the natives of the town of Binangonan before the Superior Government of these Islands, wherein they claim to be entitled to certain lands belonging to said estancia, which record was forwarded, to this land court; and bearing also in mind the proceedings upon the visit, demarkation and survey just made of the limits of said hacienda, together with the claims of the natives of some of the adjoining towns, and all other evidence leading to the greater and better knowledge of the true boundaries of the said hacienda, the said oidor said: That it was his duty to declare, and he does hereby declare, that the titles presented by the said General Don Domingo Bermudez are good and legitimate, and in consequence thereof the true limits of the said hacienda run through the places and localities stated in the proceedings in connection with the demarkation and survey just made."

"ORDER.-At the city of Manila on the 15th day of the month of September, 1752, Señor Don Pedro Calderon Enriquez, of His Majesty's council, oidor and alcalde del crimen of the Real Audiencia of these Islands and special judge of the Commission for the sale and composition of land in the whole of its territory, having seen the record of proceedings in which are described the demarkation and survey of the estancia of Angono, with the prayer of the Alferez Real Don Andres Blanco Bermudez, who succeeds to said lands by reason of the death of said General Don Domingo de Otero Bermudez, his uncle, to the effect that his title to the said estancia and lime quarries be affirmed by means of a resolution, and after examining everything that was proper to see and examine the said gentleman stated that it was his duty to order, and that he does hereby order that title of confirmation in due form be issued to the said Alferez Real of this most noble city, Don Andres Blanco Bermudez of the aforesaid titles, and in view of the said instruments and declaratory order above inserted he directed that the present title of confirmation of the said titles be issued in proper form in order that they may be held and considered as such true and legitimate titles, and the Alferez Real Don Andres Blanco Bermudez as the lawful possessor and owner of the said hacienda, and he hereby orders every one not to presume to molest, disturb, or dispute the legitimacy of the aforesaid titles: Provided, however, That they shall not prejudice third persons having a better right, and that the said declaratory orders and this confirmation shall be observed by all judges and their substitutes until His Majesty may order otherwise."

The first order was at the same time a resolution entered in the proceedings had before the Superior Government of these Islands by the people of Binangonan, and, in connection with the proceedings the said order contains this declaration :

"That the said natives do not possess, nor have they produced any lawful title to prove the ownership or possession of the lands belonging to said hacienda which they took and occupied by force of arms in the year 1745, at a time when several towns mutinied and revolted, and that none of the said natives, although they were summoned and saw the tape passed through the limits and neighborhood of their town, came forward to claim, contradict, or protest in any way or point out a different stream or river named Mabalan, and the said gentleman ordered that the inhabitants of the said town be notified to abstain in future from working the lands that they occupied and which are separated by said stream, as otherwise they would be punished for interference and for again occupying them without the will and consent of the owner thereof; for the same act the gobernadorcillo, officials and cabezas de barangay are sentenced to be deprived of their offices and to be confined with hard labor, in the Cavite Prison on ration and without salary, and otherwise as may be proper."

From the foregoing it appears that the absolute ownership granted by the State to the first persons to acquire the property, Otero and Blanco, is fully proven; their titles of ownership are made final by virtue of the provision of the real cedula of October 15, 1754, article 5 of which reads as follows:

"Neither shall possessors of lands sold or adjusted by the various subdelegates from the year 1700 to the present time be molested, disturbed, or denounced, now or at any other time, with respect to such possession, if such sales or adjustments shall have been confirmed by me, or by the viceroy or the president of the court of

the district in which the lands are located, while authorized to exercise this power. In cases where the sales or adjustments shall not have been so confirmed, the possessors will present to the courts of their respective districts and to the other officials hereby empowered to receive the same, a petition asking for the confirmation of said sales and adjustments. After the proceedings outlined by the subdelegates in their order with respect to the measurement and valuation of the said lands, and with reference to the title issued therefor, shall have been duly completed, said courts and officials will make an examination of the same for the purpose of ascertaining whether the sale or adjustment has been made without fraud or collusion, and for an adequate and equitable price, and a similar examination shall be made by the prosecuting attorney of the district, to the end that, in view of all the proceedings, etc., there will be issued to the possessor, in my royal name, a confirmation of his title, by authority of which his possession and ownership of lands and waters represented will be fully legalized, to the end that at no time will he or his heirs or assigns be disturbed or molested therein." (Cited in the case of Andres Valenton vs. Manuel Murciano, 3 Phil. Rep., 537, 540.)

The said titles are therefore absolute and unconditional notwithstanding the clause, of mere matter of form, of "without prejudice to third persons who may prove a better right." The natives or residents of the town of Angono could never be such persons with a better right either as against Otero, or Blanco, nor against their successors Miguel Cacho, Pascual Santa Ana, and Francisco Guido, because, in the first place, they constituted a town within the same Estancia or Hacienda of Angono, and they could hardly constitute a different entity which for the time being—that is, at the commencement of the hacienda—might invoke a right of its own, when those tenants of the hacienda had but a precarious right in opposition to the owners thereof; and, in the second place, because similarly to those of Binangonan who expressed their opposition, it may be said and shown, as stated and established in the judgment appealed from, that up to this day they have not been able to produce their title of ownership or of possession.

It must be added to this that if they ever had any right, they can not exercise it except in the form and manner prescribed in article 8 of the royal decree of the 26th of January, 1889, and article 5 of the royal decree of the 26th of October, 1881; they could only direct their claims against the administration, and in no wise against the grantees of the land. (Valenton vs. Murciano, 3 Phil. Rep., 537, 554, 555.)

With respect to the half of the hacienda that according to the last transfers, was derived from Francisco Guido, the appellants have only alleged, as has been seen, that at the present time said titles of ownership lack force as against third persons, such as they hold themselves to be, for the reason that they are not registered in the registry of property.

It is a frequent error to mistake the third person of the civil law for the third person of the Mortgage Law; this error arises from the lack of knowledge, evidenced in many cases which have been heard by this Supreme Court, of the character of the latter law which operates in favor of third persons against third persons, in relation to the solemnity and efficiency of the registration of a real right, in no wise in favor of a person who turns out to be and calls himself a third party because there are two other prior parties between whom some act or contract of acquisition or conveyance of ownership or of some other real right exists; the appellants themselves have cited a paragraph of the commentaries to the Mortgage Law by Galindo and Escosura, of which the first lines reveal the intent and purposes of said law: "The object of the present mortgage system was to protect the rights of the person who registers his property against him who has not registered * * *." (2, p. 419), and Manresa, the commentator of

the Civil Code, in speaking of the Mortgage Law, says:

"The law always tends to protect registered rights, to favor him who registers, and therefore, that the registration made shall prejudice those who have not registered. As a general rule it may be affirmed that where the law speaks of prejudice to a third person, said third person is the one defined by article 27, as he who

has not registered, nor participated in the act or contract that was registered; and whenever it says that a third person can not be prejudiced such third person is he who bases his right on a registered title," (4 Civil Code, 302.)

"The different persons who may generally be considered as third parties with respect to each act or contract, are divided by the Mortgage Law into two groups; third parties for the effects of the civil law, and third parties for the effects of the Mortgage Law. While no registered title exists the civil law governs; real rights arise or not independently of the registration, and the third parties may or may not be prejudiced without the intervention of the Mortgage Law. From the time that a written act or contract exists, there are third parties for the effects of said law, and registration determines preference and acquisition of rights to their prejudice." (Ibid., 302.)

The provisions of the Mortgage Law are absolutely inapplicable to the present contention because the matter at issue does not fall within the purpose of said law; not one of the rights that are contested is registered; they are rights which can only be discussed and decided under the precepts of the civil law or of the Civil Code now in force; and in the face of the Civil Code in force, against the titles of ownership put forward by the appellees, for the purpose of effecting the recovery of possession of the hacienda of Angono, the residents of said town, the appellants herein, set up no title whatever, either of ownership or of possession; they only oppose the mere fact of the material possession of certain parcels of land of the said hacienda, which they held on lease or lease on shares until the year 1903 when, as one of the appellees states, they rose against the ownership of the hacienda.

FOURTH AND FIFTH ERRORS.

The court below has not erred in considering as proven that all the appellants are tenants or lessees on shares of the hacienda of Angono.

Neither has it erred in considering as proven that they owe the appellees for ground rent, tenancy, or lease on shares, the amounts in money or in products itemized in the statements Nos. 1, 2, 3, and 4 filed with the complaint.

These allegations of error are based on the lack of identity of the defendants herein as such tenants or lessees on shares of the hacienda of Angono. It is admitted in the brief that out of 155 defendants 51 are shown to be tenants according to documentary evidence offered and admitted at the trial; it appears therein that they subscribed to proceedings served in February, 1898, on them personally as such tenants of the said hacienda, to compel them to deposit what they respectively had to pay for ground rent, tenancy, or lease on shares; but that it has not been proven that the others are such tenants, except by the testimony of one witness and the four statements which accompany the complaint.

For the purpose of deciding this question, the reason alleged by the appellees in their answer is conclusive.

"The identity said in the brief of the adverse party to be lacking with respect to some of the defendant appellants is altogether unnecessary and immaterial from the moment that the defendants, all of them, have appeared before the lower court and answered the complaint by their own names, as they are named in the complaint. No question has been raised in the court below with respect to any of the names of the defendant appellants; on the contrary, as has been said they all appeared, and all of them answered the complaint by the same names that appear therein, which fact shows their admission of and conformity to this part of the complaint." (Brief, 17.)

FIRST ERROR.

The court below did not err in considering that all the defendants are properly joined in the complaint of the plaintiff appellees.

The appellants allege that they are not united in one sole contract so that by reason thereof, they may be sued jointly, and that the parcels of land which they respectively hold constitute matter for separate and distinct causes of action.

The accumulation of parties in this case is a result of the unity of action, unity of object, and unity of defense. Unity of action inasmuch as, in view of the attitude of the defendants, who seek to obtain the ownership of the hacienda, the complaint has for its object the recovery of possession of the lawful owners who, until 1903, allowed the defendants to remain in possession of certain parcels thereof under contract of lease or lease on shares; unity of object, which can not be less than the entire hacienda, because it is detained in its entirety by the defendants, united together with manifest intent for the purpose; and unity of defense, because the pretension of the defendants is one, to wit, that of being themselves the owners of the hacienda. Joinder could not have been more imperative even if, after considerable expense and delay, a separate action had been brought against each one of the tenants Who now detain the hacienda. Section 114 of the Code of Civil Procedure, which the court below took into consideration, is applicable herein:

"Any person should be made a defendant who has or claims an interest in the controversy or the subject-matter thereof adverse to the plaintiff, or who is a necessary party to a complete determination or settlement of the questions involved therein."

Exhibit P, offered in evidence by the plaintiffs and admitted by the lower court over the exception of the defendants, which exception however, has not been brought before this court, is a notarial act drawn up at the instance of one of the plaintiffs, Justo Guido, for the purpose of obtaining a copy of the resolution agreed upon by the tenants, and which Guido testified was delivered to him by Dominador Gomez, to whom the original was returned. It reads thus:

"* * * all the residents of this town (Angono) attended a meeting, and, being assembled, Councilor Januario Villamayor, as president, took the floor and informed those present at the meeting that in consequence of the oppressed condition of this town, the inhabited portion of which is surrounded by an hacienda possessed by the heirs of Doña Dominga Santa Ana, an investigation and search for documentary proofs to permit those who claim to be the owners to exercise acts of ownership was contemplated * * *; hence, in order to avoid, as much as possible, disturbing the peace of the inhabitants as always happens in litigious questions of this kind, it is the opinion of the majority of the" residents that an agreement should be entered into between the latter and the owners of the former, with the intervention of the Honorable W. Kincaid and Doctor Gomez, who promise to settle this matter peacefully upon an offer to pay them with one-half of the level lands of the hacienda within a reasonable period of time. Thereupon all parties present, after an extensive discussion of the matter, assented to said agreement being carried out and that adequate and clear contracts should be drawn up and subjected to sound and indulgent criticism * * *."

It is evident that they unanimously promised to dispose of one-half of the hacienda in payment for their defense as though they were coowners, knowing that they disposed of one-half of the hacienda which, as they say, "surrounds the inhabited portion of the town," "the hacienda that is possessed by the heirs of Doña Dominga Santa Ana," whom "within a reasonable period of time" they purposed to spoliage of the whole of it, and immediately thereafter to dispose of one-half of its level lands in order to pay their lawyer and the above-named Doctor Gomez.

SECOND ERROR.

Neither has the court below erred in holding that it had jurisdiction to hear the claim brought by the plaintiff appellees—that is to say, the second cause of action with reference to the prayer that the defendants, now the appellants, be sentenced to pay the plaintiffs the amounts owing for ground rent, tenancy, or lease on shares, as itemized in the statements filed with the complaint as a part thereof.

The argument on appeal consists of the citation of paragraph 3, section 56 of Act No. 136, and of the fact that, "from the same judgment appealed from, it has been fully demonstrated that, with the exception of Felix Miranda, none of the other defendants owe any one or all of the plaintiffs any amount in money or in products equal to the sum of 100 dollars or more, excluding interest," which is the amount fixed by said section with reference to the jurisdiction of a Court of First Instance.

In proof of its jurisdiction the court below cites section 90 of the Code of Civil Procedure, and the appellees cite in corroboration section 427 of the Code of California, according to which plaintiff may join several causes of action in the complaint when they are based on "claims to recover a specific piece of realty, with or without damages for its retention or injury, and the rents and products of the same."

The natural effect of an action for recovery is the restoration of the thing together with its fruits, accessories, and payment of damages. In the second finding of the judgment appealed from, the plaintiffs were not granted the fruits or crops and plantings of the defendants on the hacienda of Angono, but in exchange, each of them was sentenced to pay the amounts in cash and in palay (paddy) which they appeared to be owing, as specified in the statements attached to the complaint as a part thereof.

The fruits that the defendants are obliged to restore, together with the thing not belonging to but retained by them, are not only the natural fruits, which have justly been denied by the judgment appealed from, but also the civil fruits which consist of the rent for the buildings and the price of the lease of the lands. (Civil Code, 355.)

Beginning with the fact that the crops or products of the detained land are fruits obtained by those who, as tenants, worked the lands, it was not proper to deprive them of the same; but from the moment that they desired to usurp the ownership of the hacienda, and commenced to act in the bad faith with which they at present retain possession, instead of owing those fruits they owe the civil, not, however, by virtue of a contract which they now disown, but by virtue of the right of accession which accompanies the right of recovery. And if they were sued as one sole party for the restitution of the hacienda, they must be sued as such for the restitution of its civil fruits, in their character of accessories, not as a matter of compliance with a lease contract; for all of which reasons the finding in the judgment is fully in accordance with the law.

In view of the foregoing, the judgment appealed from is hereby affirmed with the costs of this instance against the appellants.

Torres, Mapa, Johnson; Carson, and Willard, JJ., concur.

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