

**PASCUAL MENDOZA AND POMPILA VILLEGAS, PETITIONERS, VS.
COURT OF APPEALS AND FRANCISCO DE LOS SANTOS,
RESPONDENTS.***G.R. No. 62089, March 09, 1988*

Ponente: NARVASA, J.

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The right to the possession of a parcel of land, title to which had been acquired by Francisco de los Santos from the Land Authority subject to certain conditions, is in this case disputed by the actual occupants thereof. The latter claim right to the land in virtue of having been bona fide occupants thereof for more than forty (40) years. They also claim that the title issued to de los Santos is void because he had violated the conditions under which it had been granted to him.

The property in dispute is a 193-square-meter lot situated in Barrio San Roque, Marikina, Rizal.[1] It had once been part of one of the big landed estates of Marikina, which were acquired by the Government for distribution to its tenants and bona fide occupants. Its original occupant was Genoveva Sta. Ana. She never married. When she died the property was claimed by two grand-nephews: Pascual Mendoza (petitioner herein) and Francisco de los Santos (herein private respondent).[2]

Pascual Mendoza commenced to occupy the land in 1946 and built a house on it. He has continuously paid the real estate taxes thereon.[3] De los Santos never occupied the property. He already owned his own lot on which he was residing, and apparently continues to this day to reside, at Tanong, Marikina. This lot he had acquired from his parents-in-law. Like the one in controversy, it had once been a part of the so-called Marikina Estate.[4]

Sometime in 1968, de los Santos applied for the purchase of the land in question from the Government. His application was granted, and on September 3, 1968 a deed of sale of the lot was executed by the Land Authority in his favor, the latter having, "by virtue of Republic Act No. 3844, the power of disposition over ** (said lot) belonging to the Republic ** as evidenced by Certificate of Title No. 42245 of the Register of Deeds of Rizal".[5] The document of sale inter alia --

1)

imposed on de los Santos the condition that "the said land shall be personally occupied and/or cultivated by the VENDEE within six (6) months/two (2) years after the execution (t)hereof, and continuously thereafter," and

2)

declared that breach of the condition would "be sufficient ground for the cancellation of this DEED OF SALE by the GOVERNOR of the Land Authority, the forfeiture of the purchase price paid for the land subject hereof and the prosecution of the proper action in court for the cancellation of the certificate of title that may hereafter be issued in favor of the VENDEE and/or his successors--in-interest." Transfer Certificate of Title No.

232952, covering the land was issued to de los Santos on November 7, 1968.

Some seven years later, or on February 23, 1976, de los Santos filed a complaint in the Court of First Instance of Rizal against Pascual Mendoza and his wife, Pompila Villegas,[6] for the recovery of the possession of the land covered by his title, and moral and exemplary damages, as well as attorney's fees. He alleged[7] that sometime in 1967 he had allowed the Mendozas to occupy the land and construct thereon a residential house, rent-free, upon the explicit understanding that the latter's occupancy would last only for as long as he did not need the property; that early in 1974 he had notified the Mendozas of his need for the land, and requested them to vacate the same (since some of his married sons intended to construct their houses thereon); that despite such notice, however, and other subsequent demands, the Mendozas had refused to give back the land to him.

The Mendozas' answer[8] averred that they had been in occupancy of the land for more than 30 years; that they had acquired the right to the land by succession from the owner, the deceased Genoveva Sta. Ana, who was de los Santos' grand-aunt as well as theirs; that they and de los Santos had agreed that they would eventually partition the land as co-heirs. They filed an amended answer afterwards,[9] in which they assailed the validity of de los Santos' title. They declared that notwithstanding their verbal agreement with de los Santos to divide the land premised on their belief that it was owned by their grand-aunt, de los Santos had applied for and obtained title thereto by a grant from the government; but his title was invalid not only because tainted by fraud but also because of his failure to comply with certain resolutory conditions imposed by the deed under which he acquired it.

At the trial, Mendoza gave evidence tending to the effect that in 1949, de los Santos sold to him his rights over the land for P380.00 although he actually paid P400.00, the additional sum of P20.00 having been given for taxes. The sale had not been reduced to writing but de los Santos had handed over to him Tax Declaration No. 5579 in his name, as well as receipts of tax payments;[10] and that after having purchased the land, he had gone to the Rural Progress Administration in Marikina to have the land transferred in his name, in connection with which he signed certain papers. Mendoza also submitted proof that the the Land Authority had recorded the fact that de los Santos was "not residing in the subject lot ** but on his other lot **," (the) subject lot ** (being) occupied by another person."[11]

On the other hand, de los Santos twice admitted on the witness stand, once on direct examination and again on cross-examination, that the defendants had been "occupying the lot in question since liberation" up to that time.[12]

The Trial Court's verdict went against plaintiff de los Santos. In its decision dated July 30, 1979, it dismissed de los Santos' complaint, ruling that the sale to him of the land and his title thereto had been rendered infirm by his failure to comply with the condition of the sale that "said land be personally occupied and/or cultivated by the vendee within six (6) months/two (2) years after the execution thereof, and continuously thereafter," said violation being explicitly declared to be "sufficient ground for the cancellation of ** (the) Deed of Sale by the Governor of the Land Authority, the forfeiture of the purchase price paid for the land ** and the prosecution of the proper action in court for the cancellation of the certificate of title ** issued in favor of the vendee and/or his successors-in-interest." The conclusion was founded on the Court's factual finding that de los Santos had never been in possession of the land; that it was the Mendozas who had been in possession of it since Liberation, paying taxes thereon from the year 1947.

The Intermediate Appellate Court however, on de los Santos' appeal, reversed the Lower Court's decision.[13] By judgment promulgated on May 12, 1982,[14] the Appellate Court ruled that since the action involved merely the recovery of possession, the title of the plaintiff (de los Santos) could not be subjected to collateral attack and

should thus be accorded due faith and credence. It said:

"It is beyond cavil that plaintiff-appellant is the registered owner of the property. Whether or not he was in fact an actual occupant of the property when he applied for it is not clear from the evidence nor is now material in the instant case. If plaintiff-appellant indeed violated a particular condition or requirement of the Rural Progress Administration or its successor office, the Land Authority, and that, therefore, the deed of sale as well as the title issued in pursuance thereof must be cancelled, are issues which cannot be raised collaterally. The Land Authority itself and not a private person, such as defendants-appellees, is the proper entity to raise and prosecute any supposed violation and misrepresentation. The sole and singular issue involved in the present case is whether plaintiff-appellant is entitled to recover possession of the property, as against defendants-appellees, and it having been indubitably shown that he holds a duly registered certificate of title evidencing his dominion over the property, it must follow as a matter of course, that he should be allowed enjoyment and possession thereover."

The Mendoza Spouses are now before this Court on an appeal by certiorari, and ascribe to the Court of Appeals the following errors:

1)

disregarding the Trial Court's findings that de los Santos was not in actual occupation of the land, a fact rendering his title defective and subject to cancellation; and

2)

declaring that they (the Mendozas) have no personality to question the legality of de los Santos' title, it having been established that they have been in possession of the land for more than 30 years and their possessory right is threatened by de los Santos' void title thereto.[15]

In the light of the proofs presented, particularly the admissions of de los Santos himself,[16] it is difficult to understand the Appellate Court's statement that "it is not clear from the evidence" if de los Santos "was in fact an actual occupant of the property when he applied for it", or that circumstance was not "material in the instant case."

There can indeed be no doubt that (1) de los Santos had never personally occupied the lot in question; (2) that on the contrary, it was Mendoza who at all times material had been in occupation, from 1946 continuously up to the present, or for about forty-two (42) years now; (3) that when de los Santos applied to acquire the land from the Government he was not in possession thereof; and (4) that he sought albeit tardily to obtain possession of the lot because he wanted his married sons to build their houses thereon.

From these established facts flow certain significant and irrefutable consequences, namely: (1) de los Santos failed to comply with the condition in the deed of sale by which the lot in question was conveyed to him, i.e., that he should personally occupy and/or cultivate it "within six (6) months/two (2) years after the execution ** (of the deed), and continuously thereafter"; (2) his belated attempt to recover possession of the land was not to personally occupy or cultivate it, but to transfer it to his sons; and (3) on account thereof, there is sufficient ground for the cancellation of the deed of sale executed in his favor by the Governor of the Land Authority and the title issued to him in virtue thereof. In fine, the sale to him of the lot by the Land Authority and his title should be revoked, and under the circumstances, he has no means of preventing that revocation.

It moreover appears that not only has Mendoza been in possession of the land in question for over four (4) decades, but there is evidence satisfactorily establishing that de los Santos' had sold his rights and interests over it, and received the stipulated price therefor, and had thereafter consented to Mendoza's exclusive occupation and

enjoyment of the property until he evidently had a change of mind about the transfer some years afterwards. De los Santos' subsequent acquisition of the lot by purchase from the Land Authority was therefore an act of bad faith, in fraud of Mendoza. Upon the facts, therefore, there can be no doubt that as between de los Santos, on the one hand, and the Mendoza Spouses, on the other, it is the latter who should be recognized as having the superior right to the possession of the lot in dispute.

Now, technically, the revocation and cancellation of the deed of sale and the title issued in virtue thereof in de los Santos' favor should be had in appropriate proceedings to be initiated at the instance of the Government. However, since all the facts are now before this Court, and it is not within de los Santos' power in any case to alter those facts at any other proceeding, or the verdict made inevitable by said facts, for this Court to direct at this time that cancellation proceedings be yet filed to nullify the sale to de los Santos and his title, would be needlessly circuitous and would unnecessarily delay the termination of the controversy at bar, which as may be noted has already lasted for twenty (20) years or so. This Court will therefore make the adjudication entailed by the facts here and now, without further proceedings, as it has done in other cases in similar premises.[17]

WHEREFORE, the judgment of the Intermediate Appellate Court rendered on May 12, 1982, subject of the instant appeal, is hereby REVERSED and set aside. The complaint filed by de los Santos against the petitioners in the Trial Court is, as adjudged by said Court, DISMISSED. The deed of sale executed by the Land Authority on September 3, 1968, as well as Transfer Certificate of Title No. 232952 of the Registry of Deeds of Rizal issued on the strength thereof, in favor of private respondent Francisco de los Santos, are hereby CANCELLED and DECLARED NULL AND VOID and of no further force and effect whatsoever. Costs against private respondents.

Teehankee, C.J., Cruz, Gancayco, and Griño-Aquino, JJ., concur.

[1] TSN, Dec. 6, 1977, p. 20

[2] TSN, Dec. 6, 1977, pp. 12, 24, 25; TSN, Jan. 29, 1979, pp. 22-24

[3] TSN, Dec. 6, 1977, pp. 14-19

[4] Id., pp. 50-52

[5] Exh. 1

[6] At Pasig, Branch X, the case being docketed as Civil Case No. 22975

[7] Rollo, p. 20 et seq; Record on Appeal, p. 7 et seq

[8] R.A., p. 13

[9] R.A., p. 24

[10] TSN, Jan. 29, 1979, pp. 20, 27-30

[11] Exh. 2

[12] TSN, Dec. 6, 1977, pp. 14-19; TSN, Mar. 21, 1977, p. 11

[13] It appears that no brief was filed by or on behalf of Mendoza and his wife

[14] Melo, J., ponente; Gancayco and Nocon, concurring

[15] Rollo, pp. 9, 13

[16] SEE footnotes 3, 4, and 5, at page 2, *supra*

[17] *Beautifont, Inc. v. C.A.*, G.R. No. 50141, Jan. 29, 1988; *Lianga Bay Logging Co., Inc. v. C.A.*, G.R. No. L-37783, Jan. 28, 1988; *Director of Lands v. IAC*, 146 SCRA 509; *Virgilio Ozoa v. Caridad Vda. de Madula*, G.R. No. 62955, Dec. 22, 1987

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