

**ARCADIO, MELQUIADES, ABDULA, EUGENIO, APOLONIO, ALL
SURNAMED YBAÑEZ, PETITIONERS, VS. THE HONORABLE
INTERMEDIATE APPELLATE COURT AND VALENTIN O. OUANO,
RESPONDENTS.**

G.R. No. 68291. March 06, 1991

Ponente: FERNAN, C.J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-68291/>

FERNAN, C.J.:

This petition for certiorari, prohibition and mandamus which this Court treated as a petition for review on certiorari in its resolution of August 22, 1984 seeks to nullify the decision of the Intermediate Appellate Court (now Court of Appeals) dated June 29, 1984, modifying the decision of the Court of First Instance (now Regional Trial Court) of Davao Oriental, dated June 8, 1981, ordering the herein petitioners to vacate the property in controversy; to return its possession to private respondent and to pay P10,000.00 representing proceeds of the land from January 4, 1975, and attorney's fees.

Records show that private respondent Valentin Ouano, a claimant-occupant of Lot No. 986, Pls-599-D situated at sitio Bagsac, barrio of Manikling, Governor Generoso (now San Isidro), Davao del Norte, containing an area of three (3) hectares, 48 ares and 78 centares which was surveyed on March 13, 1958, as evidenced by the "Survey Notification Card" issued in his name, filed on February 27, 1959, a homestead application[1] with the Bureau of Lands. The said application, recorded as Homestead Application No. 20-107001, was approved in an order dated March 3, 1959 issued by the District Land Officer, Land District No. 20, for and by authority of the Director of Lands.

Three (3) years thereafter, or on September 5, 1962, a "Notice of Intention to Make Final Proof" was made by Valentin Ouano to establish his claim to the lot applied for and to prove his residence and cultivation before Land Inspector Lorenzo Sazon at the Bureau of Lands, Davao City at 10:00 o'clock A.M. append-ing thereto an affidavit attesting that a copy of his intention to make final proof relative to his Homestead Application No. 20-10701 was posted at the Municipal building of the Municipality of Gov. Generoso (now San Isidro), Davao, on the bulletin board of the barrio where the land applied for is located, and in a conspicuous place on the land itself on the 5th day of August, 1962 and remained so posted for a period of thirty days, until September 5, 1962.[2]

On the said date, or on September 5, 1962, Valentin Ouano made his "Final Proof" before Land Inspector Lorenzo Sazon pursuant to Section 14, Commonwealth Act No. 141, as amended.

The following year, or on March 4, 1963, an order for the issuance of patent was issued by the Bureau of Lands.

On April 15, 1963, an "Original Certificate of Title No. P-15353" was issued to private respondent Valentin Ouano over Homestead Patent No. 181261 which was transcribed in the "Registration Book" for the province of Davao on October 28, 1963.[3]

On January 4, 1975, after 19 years of possession, cultivation and income derived from coconuts planted on Lot

No. 986, private respondent Valentin Ouano was interrupted in his peaceful occupation thereof when a certain Arcadio Ybanez and his sons, Melquiades, Abdula, Eugenio, Numeriano, Apolonio and Victoriano, forcibly and unlawfully entered the land armed with spears, canes and bolos.

Because of the unwarranted refusal of Arcadio Ybanez, et al. to vacate the premises since the time he was dispossessed in 1975, private respondent Valentin Ouano filed on September 24, 1978 a complaint for recovery of possession, damages and attorney's fees before the then Court of First Instance (now RTC) of Davao Oriental against Arcadio, Melquiades, Abdula, Eugenio, Numeriano, Apolonio, Victoriano and Servando, all surnamed Ybanez,[4] docketed as Civil Case No. 671, seeking to enjoin the Ybanezes from further harvesting the coconuts therefrom and restore to him the peaceful possession and occupation of the premises. In his complaint, Valentin Ouano, then plaintiff therein, alleged that he has been in lawful and peaceful possession since 1956 of a parcel of land designated as Lot No. 986, Pls-599-D situated in Bagsac, Manikling, Governor Generoso (now San Isidro), Davao Oriental, to which an Original Certificate of Title No. P-(15353)-P-3932 was issued in his name; that petitioners, then defendants therein, unlawfully entered his land on January 4, 1975 and started cultivating and gathering the coconuts, bananas and other fruits therein, thereby illegally depriving him of the possession and enjoyment of the fruits of the premises.

Petitioners, on the other hand, alleged that plaintiff Valentin Ouano, now private respondent, has never been in possession of any portion of Lot No. 986 as the same has been continuously occupied and possessed by petitioners since 1930 in the concept of owner and have introduced valuable improvements thereon such as coconuts and houses; that Lot No. 986 was the subject matter of administrative proceedings before the Bureau of Lands in Mati, Davao Oriental which was consequently decided in their favor by the Director of Lands on the finding that Valentin Ouano has never resided in the land; that it was declared by the Director of Lands that the homestead patent issued to private respondent Valentin Ouano was improperly and erroneously issued, since on the basis of their investigation and relocation survey, the actual occupation and cultivation was made by petitioner Arcadia Ybanez and his children, consisting of 9.6 hectares which cover the whole of Lot No. 986 and portions of Lot Nos. 987, 988 and 989; that based on the ocular inspection conducted, it was established that Valentin Ouano did not have a house on the land and cannot locate the boundaries of his titled land for he never resided therein.[5]

The trial court, after hearing, rendered on June 8, 1981 its decision[6] in favor of private respondent, the dispositive portion of which reads as follows:

"WHEREFORE, in view of all the foregoing, judgment is hereby rendered as follows:

"1 - The defendants are ordered to vacate the premises of Lot 986, PLS-599-D, situated at Sitio Bagsac, Manikling, San Isidro, Governor Generoso and to return the possession thereof to the plaintiff Valentin Ouano together with all the improvements therein;

"2 - To pay unto the plaintiff the sum of P12,000.00, the proceeds of the sale of copra from January 4, 1975 to the present;

"3 - To pay attorney's fees of P7,500.00;

"4 - To desist from entering the property again after they have turned it over to plaintiff; and

"5 - To pay the costs of this suit."[7]

Petitioners appealed to the Intermediate Appellate Court.

On June 29, 1984, the Intermediate Appellate Court, First Civil Cases Division promulgated a decision,[8] affirming the decision of the trial court, with the modification that the award of P12,000.00 representing the

proceeds of the land from January 24, 1975 was reduced to P10,000.00 and the amount of P7,500.00 as attorney's fees was fixed at P5,000.00.[9]

Hence the instant recourse by petitioners.

At the outset, it must be noted that in assailing the appellate court's decision which affirmed that of the trial court, petitioners relied on the Order dated July 19, 1978 issued by the Director of the Bureau of Lands resolving the protest filed by them on January 3, 1975, later amended on February 6, 1975, against the Homestead Application No. 20-107001 of Valentin Ouano over Lot No. 986, Pls-599-D, docketed as B.L. Claim No. 2809, D.L.O. Confect No. (X1-7) 102.

Petitioners claimed that the complaint for recovery of possession, damages and attorneys fees against them should have been dismissed by the trial court for failure of private respondents, as patentee-respondent in the protest case before the Bureau of Lands, to exhaust administrative remedies which is tantamount to a lack of cause of action under Section 1, Rule 16 of the Rules of Court; that the decision or order on a question of fact by the Bureau of Lands that Patent No. 101201 issued to private respondent was improperly and erroneously issued should have been respected by the trial court and the appellate court; that the indefeasibility of a certificate of title must not be a sword for an offense nor should it be allowed to perpetrate fraud.

We find the contentions unmeritorious.

It was erroneous for petitioners to question the Torrens Original Certificate of Title issued to private respondent over Lot No. 986 in Civil Case No. 671, an ordinary civil action for recovery of possession filed by the registered owner of the said lot, by invoking as affirmative defense in their answer the Order of the Bureau of Lands, dated July 19, 1978,[10] issued pursuant to the investigatory power of the Director of Lands under Section 91 of Public Land Law (C.A. 141 as amended). Such a defense partakes of the nature of a collateral attack against a certificate of title brought under the operation of the Torrens system of registration pursuant to Section 122 of the Land Registration Act, now Section 103 of P.D. 1529. The case law on the matter does not allow a collateral attack on the Torrens certificate of title on the ground of actual fraud.[11] The rule now finds expression in Section 48 of P.D. 1529 otherwise known as the Property Registration Decree.

The certificate of title serves as evidence of an indefeasible title to the property in favor of the person whose name appears therein. After the expiration of the one (1) year period from the issuance of the decree of registration upon which it is based, it becomes incontrovertible.[12] The settled rule is that a decree of registration and the certificate of title issued pursuant thereto may be attacked on the ground of actual fraud within one (1) year from the date of its entry and such an attack must be direct and not by a collateral proceeding.[13] The validity of the certificate of title in this regard can be threshed out only in an action expressly filed for the purpose.[14]

It must be emphasized that a certificate of title issued under an administrative proceeding pursuant to a homestead patent, as in the instant case, is as indefeasible as a certificate of title issued under a judicial registration proceeding, provided the land covered by said certificate is a disposable public land within the contemplation of the Public Land Law.[15]

There is no specific provision in the Public Land Law (C.A. No. 141, as amended) or the Land Registration Act (Act 496), now P.D. 1529, fixing the one (1) year period within which the public land patent is open to review on the ground of actual fraud as in Section 38 of the Land Registration Act, now Section 32 of P.D. 1529, and clothing a public land patent certificate of title with indefeasibility. Nevertheless, the pertinent pronouncements in the aforecited cases clearly reveal that Section 38 of the Land Registration Act, now Section 32 of P.D. 1529 was

applied by implication by this Court to the patent issued by the Director of Lands duly approved by the Secretary of Natural Resources, under the signature of the President of the Philippines in accordance with law. The date of issuance of the patent, therefore, corresponds to the date of the issuance of the decree in ordinary registration cases because the decree finally awards the land applied for registration to the party entitled to it, and the patent issued by the Director of Lands equally and finally grants, awards, and conveys the land applied for to the applicant.[16] This, to our mind, is in consonance with the intent and spirit of the homestead laws, i.e. conservation of a family home, and to encourage the settlement, residence and cultivation and improvement of the lands of the public domain. If the title to the land grant in favor of the homesteader would be subjected to inquiry, contest and decision after it has been given by the Government thru the process of proceedings in accordance with the Public Land Law, there would arise uncertainty, confusion and suspicion on the government's system of distributing public agricultural lands pursuant to the "Land for the Landless" policy of the State.

In the instant case, the public land certificate of title issued to private respondent attained the status of indefeasibility one (1) year after the issuance of patent on April 15, 1963, hence, it is no longer open to review on the ground of actual fraud. Consequently, the filing of the protest before the Bureau of Lands against the Homestead Application of private respondent on January 3, 1975, or 12 years after, can no longer re-open or revise the public land certificate of title on the ground of actual fraud. No reasonable and plausible excuse has been shown for such an unusual delay. The law serves those who are vigilant and diligent and not those who sleep when the law requires them to act.[17]

In rendering judgment restoring possession of Lot No. 986 to private respondent Ouano, the duly registered owner thereof, the trial court merely applied the rule and jurisprudence that a person whose property has been wrongly or erroneously registered in another's name is not to set aside the decree, but, respecting the decree as incontrovertible and no longer open to review, to bring an ordinary action in the ordinary court of justice for reconveyance or, if the property has passed into the hands of an innocent purchaser for value, for damages.[18]

Although petitioners may still have the remedy of reconveyance, assuming that they are the "owners" and actual occupants of Lot No. 986, as claimed by them before the trial court, this remedy, however, can no longer be availed of by petitioners due to prescription. The prescriptive period for the reconveyance of fraudulently registered real property is ten (10) years reckoned from the date of the issuance of the certificate of title.[19]

While there is no dispute that the Director of Lands has the authority to conduct an investigation of any alleged fraud in securing a homestead patent and the corresponding title to a public land notwithstanding the status of indefeasibility attached to the certificate of title of private respondent, and such investigation cannot be enjoined by a writ prohibition, it must be observed however, that whatever may be the result of the factual finding in this administrative proceedings under Section 91 of the Public Land Law is not decisive of the issue as to who has a better right of possession (possession de jure) over Lot No. 986 in Civil Case No. 671. The action instituted by private respondent before the trial court partakes of the nature of an accion publiciana which is basically intended for the recovery of possession, and is a plenary action in an ordinary civil proceeding before a Court of First Instance (now RTC).[20]

On the other hand, in the case of the administrative investigation under Section 91 of the Public Land Law, the sole and only purpose of the Director of Lands is to determine whether or not fraud had been committed in securing such title in order that the appropriate action for reversion may be filed by the Government.[21] It is not intended to invalidate the Torrens certificate of title of the registered owner of the land. Unless and until the land is reverted to the State by virtue of a judgment of a court of law in a direct proceedings for reversion, the Torrens certificate of title thereto remains valid and binding against the whole world.

In resolving the basic issue of an accion publiciana, the trial court acted within its sphere of competence and has correctly found that private respondent Ouano has a better right of possession over Lot No. 986 than petitioners who claimed to own and possess a total of 12 hectares of land including that of Lot No. 986. Records indicate that petitioners have not taken any positive step to legitimize before the Bureau of Lands their self-serving claim of possession and cultivation of a total of 12 hectares of public agricultural land by either applying for homestead settlement, sale patent, lease, or confirmation of imperfect or incomplete title by judicial legalization under Section 48 (b) of the Public Land Law, as amended by R.A. No. 1942 and P.D. 1073, or by administrative legalization (free patent) under Section 11 of Public Land Law, as amended. What was clearly shown during the trial of the case was that petitioners wrested control and possession of Lot No. 986 on January 4, 1975, or one (1) day after they filed their belated protest on January 3, 1975 before the Bureau of Lands against the homestead application of private respondent, thus casting serious doubt on their claim of prior possession and productive cultivation.

What is more, it was only in 1975 that petitioners came to know and realize that they do not have actual possession of the so-called 12 hectares because, as testified by Ernesto Domanais, son-in-law of Arcadio Ybanez, three (3) hectares of their land were found to be in possession of a certain Rodolfo Beneguian; and that petitioners did not object when said portion of land was removed from their occupation thereby reducing their purported claim of 12 hectares to only nine (9) hectares.[22] It is relatively easy to declare and claim that one owns and possesses a 12-hectare public agricultural land, but it is entirely a different matter to affirmatively declare and to prove before a court of law that one actually possessed and cultivated the entire area to the exclusion of other claimants who stand on equal footing under the Public Land Law (C.A. 141, as amended) as any other pioneering claimants.

WHEREFORE, the petition is DENIED for lack of merit. The decision of the Intermediate Appellate Court, now Court of Appeals, dated June 29, 1984, is hereby affirmed. No costs.

SO ORDERED.

Gutierrez, Jr., Feliciano, Bidin, and Davide, Jr., JJ., concur.

[1] Exhibit "A", Records.

[2] Exhibit "C", Records.

[3] Exhibit "F", Records.

[4] Rollo, pp. 29-32.

[5] Rollo, pp. 39-40.

[6] Rollo, pp. 21-28.

[7] Rollo, p. 28.

[8] Associate Justice Ma. Rosario Quetulio-Losa, ponente, Associate Justices Ramon Gaviola, Jr. and Eduardo P. Caguioa, concurring (Rollo, pp. 18-20).

[9] Rollo, pp. 18-20.

[10] Rollo, pp. 39-40.

[11] Magay, et al. v. Estiandan, 69 SCRA 456 (1976); Legarda and Prieto v. Saleeby, 31 Phil. 590; Director of

Lands v. Gan Tan, 89 Phil. 184; Samonte, et al. v. Sambilon, et al., 107 Phil. 198.

[12] Section 38, Land Registration Act, now Section 32, P.D. 1259; Pamintuan v. San Agustin, 43 Phil. 558; Reyes, et al. v. Director of Lands, et al., 50 Phil. 791.

[13] Section 48, P.D. 1529; Legarda, et al. v. Saleeby, supra.

[14] Venancia Magay v. Eugenio Estiandan, G.R. L-28975, February 27, 1976, supra.

[15] El Hogar Filipino v. Olviga, et al., 60 Phil. 17 (1934); De los Reyes v. Razon, 38 Phil. 480 (1918).

[16] Sumail v. Judge of the CFI of Cotabato, et al., 96 Phil. 946 (1955).

[17] Vda. de Alberto v. Court of Appeals, 173 SCRA 436 (1989).

[18] Gonzales v. Intermediate Appellate Court, GR. No. 69622, January 29, 1988, 157 SCRA 587; Director of Lands, et al. v. Register of Deeds, et al., 92 Phil. 826 (1953).

[19] Caro v. Court of Appeals, G.R. No. 76148, December 20, 1989, 180 SCRA 401.

[20] Roman Catholic Bishop of Cebu v. Mangaron, 6 Phil. 286.

[21] Pinero v. Director of Lands, 57 SCRA 386.

[22] TSN, January 14, 1981; Records, pp. 24, 32-37.

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.