

RENATO TIPON, PETITIONER, VS. HON. INTERMEDIATE APPELLATE COURT, REGIONAL TRIAL COURT OF LAGUNA (FORMERLY COURT OF FIRST INSTANCE, EIGHT JUDICIAL DISTRICT, BR. I, BINAN, LAGUNA)...*G.R. No. 71645. February 27, 1987*

Ponente: YAP, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-71645/>**YAP, J.:**

This case involves a parcel of land situated in Barrio San Vicente, San Pedro, Laguna, containing an area of 3.46 hectares, more or less. The lot was part of the estate, known as the Laguna Settlement Project, belonging to the Republic of the Philippines, originally purchased and administered by the National Resettlement and Rehabilitation Administration (NARRA) for disposal to landless tenants and farm workers pursuant to Republic Act No. 1160. With the abolition of NARRA, the administration of the Laguna Settlement Project was vested in the Land Authority created under Republic Act No. 3844, and subsequently, transferred to the Department of Agrarian Reform.

Petitioner Renato Tipon acquired the lot in question (Lot No. 386 of the Laguna Settlement Project) from the government by virtue of a Deed of Sale executed in his favor by the Department of Agrarian Reform on November 23, 1976, for the price of P1,251.20. Among the conditions stated in the Deed of Sale were the following:

"1. x x x

2. That from the date of the pertinent Order of Award and within TEN (10) years from the date of issuance by the proper Register of Deeds of the certificate of title, the land subject hereof shall not, except by hereditary succession, be subdivided, sold or in any manner transferred or encumbered except in favor of any of the VENDEE's relative within the third civil degree by consanguinity or affinity who fulfill the four (4) requirements in section 6, Land Authority Administrative Order No. 4, series of 1967, or in favor of the Government and its financial or banking institution or rural banks, and only upon prior written consent of the Secretary of the Department of Agrarian Reform; and any said transfer, encumbrance or alienation made in violation hereof shall be null and void; provided, that in case of foreclosure of mortgage on the lot, only qualified landless bona-fide farmers in the municipality where the land subject of foreclosure lies, may participate in the bidding, and in their absence, the mortgagee shall be allowed to bid but may not thereafter sell the land without prior written permission from the Secretary of the department of AGRARIAN REFORM, further, that any sale, transfer or alienation made by the herein VENDEE as authorized in this paragraph shall be subject to the right of repurchase by him or by his legal heirs within a period of five (5) years from the date of such sale, transfer or alienation.

3. That the violation of the next preceding paragraph shall be sufficient ground for the forfeiture of all payments made on account of the purchase price hereof without prejudice to the right of the VENDOR to demand full settlement by the VENDEE of the loan or loans, if any, extended to him by the VENDOR and/or

defunct NARRA; and the prosecution by the VENDOR of the proper certification in court for the cancellation of this DEED OF SALE or the certificate of title that may hereafter be issued in favor of the VENDEE and/or his successor-in-interest and the reversion of the land and improvements thereon to the government."

On the day the Deed of Sale was executed in his favor, Tipon filed a request with the Department of Agrarian Reform for permission to transfer his rights and interest over the lot in question in favor of Atty. Umiral P. Matic (respondent herein). This request was granted by the Regional Director of Region IV of the Department of Agrarian Reform on December 9, 1976 "subject to the condition that the Deed of Transfer is submitted to this department for verification and final approval."

On December 10, 1976, Tipon submitted the Deed of Absolute Sale in favor of Matic for approval and, on the same day, it was approved by the Regional Director of Region IV of the Department of Agrarian Reform. Thereafter, Matic caused the titling of the property in the name of Tipon to whom was issued Transfer Certificate of Title No. 50617, and later, had the same transferred to his name under Transfer Certificate of Title No. 53850 dated July 12, 1977, of the Registry of Deeds for the Province of Laguna.

However, in a letter dated March 8, 1977 addressed to the Regional Director of Region IV, Department of Agrarian Reform, Tipon sought the cancellation and nullification of the transfer he had made of his rights over the lot in question to respondent Matic, and requested at the same time that he be granted permission to transfer his rights therein to one Calixto Cataquiz. This letter was followed by the actual filing of a formal complaint by Tipon against Matic with the Department of Agrarian Reform, seeking the annulment of the Deed of Sale in favor of Matic. This complaint was subsequently dismissed on the motion of Tipon, who, at the same time, executed a "release, waiver and quit claim" of any and all rights, title and interest he has over the lot in question in favor of Matic.

Later, however, in a letter dated June 15, 1977, Tipon, through counsel, made a demand on Matic to either pay him the sum of P86,612.50 representing 50% of the sum of P173,225.00 which he alleged to be the true consideration of the sale of the lot in question per their verbal agreement, or to reconvey to him the said lot for the amount of P20,000.00, the consideration appearing in the Deed of Absolute Sale, dated December 10, 1976.

As respondent Matic chose to ignore the demand, the petitioner filed a complaint with the Court of First Instance of Laguna (Civil Case No. B-1317) seeking to compel the defendant Matic to allow him to redeem or repurchase the parcel of land in question, invoking the provisions of Section 8 of Administrative Order No. 4, Series of 1967, which gives the vendor or transferrer the right to do so within a period of five (5) years from date of sale, transfer or alienation, a right which was embodied in the Deed of Sale executed by the Department of Agrarian Reform in his favor annotated in the corresponding certificate of title.

After trial, the lower court dismissed the complaint and ordered the plaintiff Tipon to reimburse the defendant Matic the sum of P7,561.55 by way of attorney's fees and to pay the costs of the proceedings.

Tipon appealed the said decision to the then Court of Appeals, but the latter, in a decision dated May 8, 1985, affirmed the appealed decision *en toto*. Hence, this petition for review on certiorari.

The petition should be given due course. However, in disposing of this case, the Court is not limited to the narrow issues raised in the petition.

It is abundantly clear from the evidence presented to the Court *a quo* that the parties in this case have flouted the law. The land in question was part of a landed estate acquired by the government for distribution to landless tenants and farmers. The petitioner was awarded the lot in question, being purportedly deserving and qualified to acquire the same. In awarding lands pursuant to laws intended to alleviate the plight of the landless, the state

normally imposes certain conditions and restrictions designed to prevent practices that would defeat the beneficent purpose of the law. Thus, in this case, the deed of sale in favor of the petitioner (vendee) embodied a clause explicitly prohibiting him from selling, transferring and encumbering the property granted to him within ten years from the issuance of the certificate of title, "except in favor of any of the vendee's relatives within the third civil degree by consanguinity or affinity who fulfill the four (4) requirements in Section 6, Land Authority Administrative Order No. 4, Series of 1967, or in favor of the government and its financial or banking institution or rural banks . . ." Another clause (paragraph 3) of the deed of sale provides that any violation of the conditions shall be a ground for the cancellation of the deed of sale or certificate of title that may be issued in favor of the vendee and his successor-in-interest, and the reversion of the land and improvements thereon to the government.

On the very same day (November 23, 1976) that the petitioner acquired the property from the government, the petitioner turned around and asked permission from the Department of Agrarian Reform to sell the same to respondent Matic in violation of the conditions to which the grant was subject. In spite of the clause restricting the transferability of the land, the request was approved by the Regional Director of Region IV of the Department of Agrarian Reform on December 9, 1976, and on the next day, the petitioner executed the corresponding deed of sale in favor of the respondent for the stated consideration of P20,000.00. The deed of sale was approved by the Regional Director on the same day.

It is difficult to understand why the courts which have dealt with this case failed to note how the parties so flagrantly violated and disregarded the conditions imposed on the grant of the land to petitioner, defeating with impunity the very objective sought to be accomplished by the government in its program of giving land to the landless. There is hardly any doubt from the evidence on record that the petitioner had no intention at all of keeping for himself and utilizing the land which he acquired from the government, for even while the ink on the deed of sale in his favor was still wet, so to speak, he already took steps to transfer the land to the respondent. His indecent haste in disposing of the land, followed by his despicable attempts to make an exorbitant profit from the transaction only shows that he was unduly taking advantage of the land distribution program of the government and was interested only in making a killing for himself rather than in gratefully accepting the land from the government to improve his lot in life and provide for himself and his family a brighter future. The Court is not unaware of the practice of some intended beneficiaries of the land distribution programs of the government who are more interested in reselling the land and making a quick profit from it. We cannot close our eyes to this deplorable practice. We should not allow either party in the present case to reap any benefit from the illegal transaction and make a mockery of the government's laudable program of providing land to the landless and shelter to the homeless citizens of our country.

WHEREFORE, judgment is rendered denying the reliefs prayed for by the petitioner and dismissing the petition; annulling the transfer of the land in question (Lot No. 386 of GSS-877) to petitioner and its subsequent transfer to respondent Umiral P. Matic; ordering the cancellation of Transfer Certificate of Title No. 53850 covering said land, issued by the Register of Deeds for the Province of Laguna, in the name of respondent Umiral P. Matic; and directing the said Register of Deeds to issue in lieu thereof a Certificate of Title in the name of the Republic of the Philippines.

SO ORDERED.

Narvasa, Melencio-Herrera, Feliciano, Gancayco, and Sarmiento, JJ., concur.

Cruz J., took no part, having been a member of the law offices representing petitioner, until his appointment to the Supreme Court

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.