

VIRGINIA FRANCO VDA. DE ARCEO, CARMELITA ARCEO, ZENAIDA ARCEO, ROMEO ARCEO, RODOLFO ARCEO AND MANUEL ARCEO, PETITIONERS, VS. HON. COURT OF APPEALS (FORMER 16TH DIVISION), PEDRO ...

G.R. No. 81401. May 18, 1990

Ponente: SARMIENTO, J.

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SARMIENTO, J.:

The Court grants this petition on a successful demonstration of error committed by the Court of Appeals.[1]

It appears that the spouses Abdon Arceo and Escolastica Geronimo were the owners of four parcels of unregistered land (six were involved but only four were disputed) located in Pulilan, Bulacan, identified as lots nos. 2582, 2595, 3054, and 8131. Escolastica died on September 16, 1942 while Abdon passed away in 1953. They had one son, Esteban, who died on September 2, 1941. Esteban had five children Jose, Pedro, Lorenzo, Antonio, and Sotera. Jose married Virginia Franco, with whom he fathered six children, Carmelita, Zenaida, Rodolfo, Manuel, Cesar, and Romeo.[2] Pedro, Lorenzo, Antonio, and Sotera are the private respondents herein while Jose's widow, Virginia (Jose died on March 8, 1970), and their children are the petitioners.

It also appears that on October (or September) 27, 1941, the Arceos executed a deed of donation inter vivos, marked as exhibit "J", in which the spouses bestowed the properties in favor of Jose.[3] Since 1942, Jose had been paying taxes thereon.[4] In 1949, he took personal possession thereof, worked thereon, and claimed them as owner thereof.[5]

It furthermore appears that on August 2, 1950, the spouses executed another deed of donation inter vivos, marked as exhibit "T", disposing of the properties further in favor of Jose.[6]

On October 3 (or 30), 1941, the Arceos supposedly signed a deed of donation mortis causa, marked as exhibit "1" revoking exhibit "J" and giving away the properties in question in favor of all his grandchildren including Jose. It seems however that it was notarized only on November 3, 1944, after Escolastica had died.

On January 12, 1972, Virginia, together with her children, filed with the cadastral court[7] an application for registration in their names of lots nos. 2582, 2595, 3054, and 8131 on the strength of exhibits "J" and "T". Pedro, Antonio, Lorenzo, and Sotera opposed the application on the basis of exhibit "1". Pedro and Lorenzo specifically contested the application on lots nos. 3054 and 8131 on claims that each of them were entitled to one-third thereof.[8]

The cadastral court rejected all three documents and distributed the properties according to the law on intestate succession.[9]

Virginia and her children shortly went to the Court of Appeals which affirmed the decision of the cadastral court and dismissed the appeal.

On February 15, 1988, Virginia et al. petitioned this Court.

The petitioners argue that the cadastral court was bereft of the power to determine conflicting claims of ownership, and that its authority was solely to confirm an existing title, and that anyway, all the lots should have been awarded to them by virtue of open, continuous, exclusive, and notorious possession since 1941 (1942, when Jose took possession of the parcels) or otherwise, by acquisitive prescription.[10] They also assert that exhibits "J" and "T" had validly transferred the subject lands to them.

In their comment, Pedro, Lorenzo, Antonio, and Sotera contend that the cadastral court had the jurisdiction to decide questions of ownership of property; that the issue of prescription was never ventilated below; and that exhibit "J" had been validly rescinded by exhibit "1".

The parties do not quarrel over the genuineness of all three exhibits but rather, over the dates thereof. Pedro, et al. allege that exhibit "J" was executed on September 27, 1941, and not October 27, 1941, and that exhibit "1", the instrument that revoked it, came later, or on October 3, 1941. Virginia et al. maintain on the other hand that exhibit "J" was actually made on October 27, 1941, twenty-four days after the execution of exhibit "1", and that assuming exhibit "1" came earlier, it was notarized, and took effect, only on November 3, 1944, after the death of Escolastica, one of the donors.

Although the parties wrangle over dates, the Court observes that there is no real question of fact to be resolved in this case. The important question, so we find, is, based on existing facts, legal in character: Who has the right over lots nos. 2582, 2595, 3054, and 8131?

As we indicated, we find merit in this petition.

The first question must, however, be resolved against the petitioners. We have held that under Section 2 of the Property Registration Decree, the jurisdiction of the Regional Trial Court, sitting as a land registration court, is no longer as circumscribed as it was under Act No. 496, the former land registration law.[11] We said that the Decree "has eliminated the distinction between the general jurisdiction vested in the regional trial court and the limited jurisdiction conferred upon it by the former law when acting merely as a cadastral court." The amendment was "[a]imed at avoiding multiplicity of suits, the change has simplified registration proceedings by conferring upon the required trial courts the authority to act not only on applications for 'original registration' but also 'over all petitions filed after original registration of title, with power to hear and determine all questions arising from such applications or petitions.'"[12] At any rate, we have also stated that the limited-jurisdiction-rule governing land registration courts is subject to recognized exceptions, to wit, (1) where the parties mutually agreed or have acquiesced in submitting controversial issues for determination; (2) where they have been given full opportunity to present their evidence; and (3) where the court has considered the evidence already of record and is convinced that the same is sufficient for rendering a decision upon such controversial issues.[13] By the same token, it has been held that the rule is not, in reality, one of jurisdiction, but rather, of mere procedure, which may be waived.[14] It is not amiss to state likewise that where the issue, say, of ownership, is ineluctably tied up with the question of right of registration, the cadastral court commits no error in assuming jurisdiction over it, as, for instance, in this case, where both parties rely on their respective exhibits to defeat one another's claims over the parcels sought to be registered, in which case, registration would not be possible or would be unduly prolonged unless the court first decided it.

The next question refers to acquisitive prescription. In support of their claims, Virginia, et al. cite four events: (1) In 1941, Jose entered upon the properties and until his death in 1970, worked thereon; (2) Upon his death, they, Virginia, et al., divided the same by virtue of an extrajudicial partition; (3) Ever since, Jose had paid taxes thereon until he died; (4) Pedro, et al. have not lifted a finger to oust him, Jose, in possession, or otherwise, to impugn his

right. Virginia, et al. now say that barring the above exhibits, they have anyway acquired the parcels by prescription.

We also regret that one can not agree with this proposition. The petitioners suppose that the parcels had come under the category of a co-ownership, following the death of their grandparents, but in that case, it has been held that in order for prescription to set in, the following requisites must concur: (1) there is a clear showing that the claimant has repudiated the co-ownership; (2) he has made known to the rest of the co-owners that he is assuming exclusive ownership over the property; (3) there is clear and convincing evidence thereof; and (4) his possession is open, continuous, exclusive, and notorious.[15]

The evidence for Virginia et al. do not persuade us that they (through Jose) have acquired the lots by lapse of time. The fact that in 1941, Jose wrested possession thereof, so we hold, does not amount to adverse possession because as a co-owner, he had the right of enjoyment, and his use thereof can not by itself prejudice the right of his fellow co-owners. The fact that he paid taxes thereon is not controlling either because payment of real estate taxes does not necessarily confer title upon a claimant.[16] The fact finally that Virginia, et al. had sought to extrajudicially divide the property is nothing conclusive because there is no showing that they, Virginia, et al. had made this known to Pedro, et al. Under these circumstances, we can not validly say that the lands had devolved on Virginia, et al. by way of prescription.

We are granting the petition nonetheless on the finding that the lots had been conferred to Jose by a valid donation inter vivos, that is, exhibit "J".

Other than the claims by Pedro, et al., that exhibit "J" had been revoked by exhibit "1", exhibit "J" appears to have been executed in compliance with legal requirements, i.e., as to form and acceptance.[17] It is true that the cadastral court was supposed to have attributed fraud on the part of Jose in making Abdon sign the exhibit,[18] (according to Pedro, Abdon affixed his signature thereon upon "the belief that it was a deed of sale of the land purchased from one Marciano Santos"[19]) but as found by the Court of Appeals, it is a theory that "must be received with a 'grain of salt',"[20] because, for one thing, Jose is dead, and for another, the petitioners have adduced evidence that exhibit "J" was genuine. We are bound by the factual finding of the Appellate Court and as we averred, we are disposing of this question on pure questions of law.

As to exhibit "T", the finding of the Court of Appeals that it was defective is just as controlling on this Court, that is, that "it was signed by Abdon Arceo after the death of his wife on September 16, 1942 and does not contain the acceptance ... by Jose Arceo." [21]

We can not say that exhibit "1" had validly revoked exhibit "J". The weight of authority is that a valid donation, once accepted, becomes irrevocable,[22] except on account of officiousness,[23] failure by the donee to comply with charges imposed in the donation,[24] or by reason of ingratitude.[25] There is simply no proof that Abdon, when he executed exhibit "1", was in possession of a legal ground for annulment.

We can not thus accept the Court of Appeals' holding that exhibit "1" had "neutralized the force and effect"[26] of exhibit "J".

It is therefore this Court's ruling that the disposition under exhibit "J" in favor of Jose (whose rights were transmitted to Virginia, et al.) should be respected.

We find no need in settling the issue of true dates of the parties' exhibits, because first, it is an issue of fact and second, because whatever their true dates, there is no obstacle to the validity of the claims of Virginia, et al.

WHEREFORE, the Decision appealed from is SET ASIDE. The court a quo is ORDERED to distribute the

properties covered by the donation inter vivos, dated October (or September) 27, 1941, exhibit "J", according to the terms and conditions set forth therein, and in the proportions indicated thereby. No costs.

IT IS SO ORDERED.

Melencio-Herrera, (Chairman), Paras, Padilla, and Regalado, JJ., concur.

[1] Ines-Luciano, Leonor, J., Nocon, Rodolfo and Cui, Emeterio JJ., Concurring.

[2] Rollo, 45.

[3] Id.

[4] Id., 13.

[5] Id.

[6] It is not clear which portions were covered by exhibit "J" and which were embraced by exhibit "T".

[7] L.R.C. No. N-29443-M, LRC Rec. No. 41856 (CFI Branch VI, Malolos, Bulacan); the decision was rendered by Judge Roque Tamayo.

[8] Rollo, id., 10.

[9] Id., 45-46.

[10] Id., 13-21.

[11] Averia, Jr. v. Caguioa, No. 65129, December 29, 1986, 146 SCRA 459.

[12] Supra, 462.

[13] Zuñiga v. Court of Appeals, No. L-49776, January 28, 1980, 95 SCRA 740, 749.

[14] Manalo v. Mariano, No. L-33850, January 22, 1976, 69 SCRA 80.

[15] Adille v. Court of Appeals, No. L-44546, January 29, 1988, 157 SCRA 455.

[16] Pangan v. Court of Appeals, No. L-39299, October 18, 1988, 166 SCRA 375.

[17] CIVIL CODE, art. 749.

[18] Rollo, supra, 106.

[19] Id., 46.

[20] Id.

[21] Id.

[22] See II TOLENTINO, CIVIL CODE OF THE PHILIPPINES, 510 (1972 ed.)

[23] CIVIL CODE, art. 760.

[24] Supra, art. 764

[25] Supra, art. 765.

[26] Rollo, id., 46.

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