

SOLID STATE MULTI-PRODUCTS CORPORATION, PETITIONER, VS. THE COURT OF APPEALS (FORMER SIXTH DIVISION), AND THE INTESTATE ESTATE OF ANTENOR S. VIRATA, AND THE DEVELOPMENT BANK OF ...

G.R. No. 83383. May 06, 1991

Ponente: MEDIALDEA, J.

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MEDIALDEA, J.:

This is a petition for review on certiorari of the decision of the Court of Appeals which affirmed the decision of the trial court dismissing the complaint filed by petitioner for quieting of title and declaring Antenor Virata as the true and lawful owner of the disputed property.

The antecedent facts are as follows:

On September 28, 1982, petitioner, a domestic corporation, filed an action for quieting of title against the respondent estate of Virata alleging that it is the registered owner of a parcel of land located at Imus, Cavite, with an area of 48,182 sq. meters, covered by Certificate of Title No. T-80889 of the Register of Deeds of Cavite, which was issued on February 24, 1976; that Virata, during his lifetime thru the use of fraud, caused the issuance of Certificate of Title No. T-11520 RT 1660 on September 1, 1959 thru an administrative reconstitution of a non-existent original title covering the same parcel of land; that by reason of the said reconstitution and subsequent issuance of TCT No. T-11520 RT 1660, there now exists a cloud on the title of petitioner.

As gathered by the respondent appellate court and trial court, the evidence for the petitioner consists of the following:

"Pursuant to the provisions of Act No. 32, as amended, Julian Peñaranda submitted with the Bureau of Lands, thru its District Land Office at Rosario, Cavite an application dated November 22, 1968, in a verified Indorsement dated November 25, 1968, to purchase a friar land which was subscribed and sworn to before Manuel Cupino, Acting District Land Officer (Exh. 'D'). The application covers Lot No. 7449 of the Imus Friar Lands Estate, situated at Barrio Molino, Bacoar, Cavite, containing an area of 4 hectares, 81 ares and 82 centares. Said application was accompanied by a 'SALAYSAY' (Exhibit 'A') signed and sworn to by one Mabini Legaspi before said District Land Officer Cupino, purporting to transfer to, and to waive in favor of, Julian Peñaranda, all the rights of executor to Lot No. 7449.

"Following the routine in cases of this nature, District Land Officer Cupino referred to Land Investigator Alberto Buhain for investigation and in a verified Indorsement dated November 25, 1968, said investigator made a Report (Exh. 'B') on the result of his investigation, to District Land Officer Cupino, District Land Office No. III-8, Bureau of Lands, Rosario, Cavite, certifying that applicant Julian Peñaranda is the actual occupant of Lot No. 7449, has introduced improvements consisting of upland rice and other seasonal crops; that Peñaranda's occupation of the land is derived through a voluntary assignment of right of the former occupant, Mabini Legaspi, and that the same is free from claims and conflicts and that the said applicant has established his rights over the subject land, in view of which, said investigator recommended that said lot be

awarded to applicant Julian Peñaranda according to law.

"Thereafter, the Report having been submitted to Cupino, the latter directed investigator Buhain to prepare an Information Sheet (Exh 'G' up to 'G-3') and Cupino made the Appraisal Report (Exh. 'E-2'). The above requirements having been accomplished, District Land Officer Cupino forwarded Peñaranda's application to the Director of Lands, thru the Chief, Land Management Division, recommending disposition of Lot No. 7449 be made in accordance with the findings of his office, to Julian Peñaranda, pursuant to the provisions of C.A. of No. 32, as amended.

"By second Indorsement dated December 16, 1968, Higinio P. Sunico, Chief, Land Management Division, acting for and in behalf of the Director of Lands, forwarded to the Secretary of Agriculture and Natural Resources, the application of Julian Peñaranda, recommending that Lot No. 7449 be sold to said applicant without public auction for a sum of P1,198.00 (Exh. 'I') and by a 3rd Indorsement dated December 16, 1969, the application of Julian Peñaranda was returned by the Secretary of Agriculture and Natural Resources, to the Director of Lands, Manila, approving that sale without auction, to Julian Peñaranda, of Lot No. 7449. Pursuant to this approval, the Director of Lands authorized the District Land Officer, Rosario, Cavite, to sell without auction to Julian Peñaranda, and directing that the sales contract should be executed soonest (Exh. 'I'). The Director of Lands and Julian Peñaranda executed, therefore, Sales Contract No. V-447 (Exh. 'K'), on February 28, 1969, for a consideration of P1,198.00, to be paid in ten (10) monthly installments, the first installment of P290.00 having been paid upon execution of the sales contract and the payment of the P1,198.00 was fully paid on August 6, 1969 (Exh. 'O').

"The contract price of the land having been paid by Peñaranda, Undersecretary of Agriculture and Natural Resources Isocles Pascual, on August 13, 1969, issued the final deed of conveyance of Lot No. 7449 (Exh. '8') in favor of Julian Peñaranda and the said deed of conveyance contains the physical and technical description of the lot in question (See Exh. 'S-1).

".....

"On the basis of said Deed of Conveyance No. 10431, the Register of Deeds of Cavite issued on November 14, 1969 in favor of Julian Peñaranda TCT No. T-39631 (Exh. 'Z-6') which on its face shows it to have come from a direct transfer from OCT No. 1002, and on February 17, 1976, the plaintiff, by way of a Deed of Absolute Sale (Exh. 'Z') bought said Lot No. 7449 as a consequence of which, TCT No. T-39631 was cancelled and new TCT No. T- 80889 was issued on February 24, 1976 to the plaintiff, Solid State Multi Products Corporation.

"Plaintiff Solid State Multi-Products Corporation enrolled Lot No. 7449 with the issuance of Tax Declaration No. 20893 which was superseded by Tax Declaration No. 10973 and continued to religiously pay the realty taxes as covered by receipts of tax payments (Exh. '8', for 1977 and Exh. 'Z-19' for 1984) and the subject property is in its actual possession since its acquisition from Peñaranda up to the present." (pp. 109-112, Rollo) (Emphasis ours)

On the other hand, respondent Virata denied the allegations in the complaint and presented evidence to prove his claim over the land. The appellate court and trial court made the following findings:

"x x x on March 20, 1943, the Director of Lands, Mr. Jose F. Dans, gave authority to sell at public auction Lot No. 7449 of the Imus Estate, containing an area of 4.8182 hectares at the price of not less than its appraised value of P290.00 (Exh. X-33). Accordingly on April 20, 1943, the Bureau of Friar Lands Agent Severo Rivera issued a Notice fixing the public auction of Lot No. 7449, among others, on May 5, 1943 at 10:00 a.m. (Exh. 1). On said date, Mabini Legaspi (appellee Virata's predecessor-in-interest) submitted a winning bid of P290.00 and paid P29.00 (10% of the purchase price) and even issued Bureau of Lands Official Receipt No. 77735 dated May 5, 1943 (Exh. 7). The subsequent installments were paid on January 14, 1944, April 24, 1944, August 17, 1944, and September 20, 1944 in the amounts of P29.00, P29.00, P87.00 and P116.00,

respectively. The payments were evidenced by Official Receipts Nos. 78396, 783392, 784704 and 78466 (Exhs. 7-A, 7-B, 7-C and V).

"On December 12, 1944, the Bureau of Lands, through Mr. Vicente Tordesillas, sent a letter to the Register of Deeds at Imus, Cavite, requesting the issuance of the corresponding certificates of title to eight persons, among whom was Mabini Legaspi, specifying with respect to him Lot No. 7449 with an area of 4.8182 located at Bacoar, Cavite (Exh. 2). Accordingly, the Register of Deeds of Cavite issued TCT No. A-2188 to Mabini Legaspi who held ownership of the property up to December 6, 1957 when he executed a Deed of Sale transferring it to Antenor S. Virata (Exh. 6). The deed was registered with the Registry of Deeds on December 10, 1957 x x x. On the same day, December 10, 1957, the Register of Deeds issued TCT No. 11520 (Exh. 12) to Antenor Virata x x x.

"However, on June 7, 1959, the Provincial Capitol building of Cavite which housed the Registry of Deeds was burned, destroying land records and titles in said registry among which were the records relating to Lot No. 7449.

"On September 1, 1959, the Registry of Deeds administratively reconstituted the original of TCT No. T-11520 based on owner's duplicate certificate (Exh. 12) and re-numbered the same as TCT No. (T-11520) RT-1660.

".

"The existence of TCT No. 80889 issued in the name of appellant on February 24, 1976 came to the knowledge of Antenor Virata in August 1978 when he received a subpoena from the National Bureau of Investigation (NBI) in connection with its investigation of the conflicting land titles on Lot No. 7449. Virata presented Mabini Legaspi as his witness. NBI Agent Manuel C. Dionisio took the sworn testimony of Mabini Legaspi on August 27, 1978 (Exh. 10) and submitted a written report (Exhs. 9 to 9-H) of his investigation on October 27, 1978. Mabini Legaspi in her sworn testimony (Exh. 10) declared that she acquired Lot 7449 during the Japanese occupation and in support of her acquisition, she presented to NBI agent Dionisio the carbon or duplicate original of the notice of public auction and the letters dated December 12, 1944 of Vicente Tordesillas of the Bureau of Lands to the Register of Deeds requesting the issuance of a certificate of title in favor of Mabini Legaspi, which documents were substituted on the same occasion with xerox copies (Exh. 1 and 2) also marked as Exhibits 10-C and 10-D, respectively, after a comparison with the duplicate originals. Legaspi also presented the originals of the receipts of payment she made to the Bureau of Lands, which were substituted with xerox copies (Exhs. 7, 7-A, 7-B and 7-C, also marked as Exhibit 10-E, 10-F, 10-G and 10-H) after comparison with the original. She (Mabini) also testified on the sale of the lot in favor of Antenor Virata on December 6, 1957, presenting as proof thereof, the duplicate or carbon original of the Absolute Deed of Sale of Agricultural Land, which was likewise, substituted with xerox copies (Exhs. 6 to 6-F, inclusive, also marked Exh. 11).

"Mabini Legaspi testified that the originals of Exhibits 1 and 2 got lost. She said she placed the documents on the table in her house after returning from the NBI investigation, thinking 'all the while that those documents will be useless because I had my property sold.' (Tsn., p. 17, December 19, 1984). She denied having sold the land to Julian Peñaranda, no(r) having waived her right over the land in his favor (tsn., p. 12, March 18, 1985)." (pp. 113-116, Rollo)

On June 15, 1985, the trial court rendered its decision, the dispositive portion of which reads:

"WHEREFORE, by preponderance of evidence, judgment is hereby rendered for defendant Virata and against the plaintiff, to wit:

"a. Dismissing the complaint which states no cause of action;

"b. Recognizing that defendant Virata is the true and lawful owner of the land covered by Transfer Certificate of Title No. (T-11520) RT 1660 of the Register of Deeds of the Province of Cavite and holding that the same is

valid;

"c. Declaring that Transfer Certificate of Title No. T-80889 in the name of plaintiff, the Solid State Multi Products Corporation is null and void and of no force and effect and is, therefore, ordered cancelled;

"d. Sentencing the plaintiff to pay the costs of the proceeding.

"SO ORDERED." (p. 70, Rollo)

Not satisfied with the decision of the trial court, the petitioner appealed to the Court of Appeals. On July 13, 1987, the respondent appellate court rendered its decision affirming the decision of the trial court.

Hence, this petition was filed with the petitioner assigning the following errors:

"THE RESPONDENT COURT GROSSLY ERRED WHEN IT IGNORED THE BASIC CONSIDERATION THAT THE CONTESTED PROPERTY CAME FROM THE FRIAR LANDS ESTATE THE DISPOSITION OF WHICH IS GOVERNED BY SPECIAL LAWS SPECIFYING THE REQUIREMENTS FOR ITS ACQUISITION FROM THE GOVERNMENT THROUGH SALE, WHICH LAW AND SPECIAL REQUIREMENTS SHOULD SERVE AS THE MEASURE AGAINST WHICH THE EVIDENCE OF THE PARTIES TO THIS CASE SHOULD BE WEIGHED, SUCH GROSS ERROR LEADING THE APPELLATE COURT TO-

(A) ERRONEOUSLY INFER THE EXISTENCE AND/OR DUE ISSUANCE OF THE SUPPOSED TCT NO. A-2188 (IN THE NAME OF PRIVATE RESPONDENT'S PREDECESSOR-IN-INTEREST), FROM DOCUMENTS THAT CAME AFTER WERE BASED ON SUCH TCT NO. A-2188, CLEARLY BEGGING THE ISSUE WHICH IS PRECISELY WHETHER OR NOT THE TRANSFER CERTIFICATE OF TITLE WAS IN FACT ISSUED IN COMPLIANCE WITH THE FRIAR LANDS ACT AND CA-32 TO COVER THE PROPERTY IN QUESTION;

(B) ERRONEOUSLY BASE ITS DECISION IN FAVOR OF PRIVATE RESPONDENT ON TCTs ISSUED BY THE REGISTER OF DEEDS INSPITE OF THE FACT THAT IT IS THE BUREAU OF LANDS UNDER THE DIRECTION OF THE SECRETARY OF AGRICULTURE AND COMMERCE (NATURAL RESOURCES) WHICH DISPOSES FRIAR LANDS AND NOT THE REGISTER OF DEEDS WHOSE RECORDS CAN BE NO BETTER THAN THE RIGHT IT HAS REGISTERED;

(C) ERRONEOUSLY DISREGARD THE PATENT INADMISSIBILITY OF DOCUMENTARY EVIDENCE OFFERED BY THE PRIVATE RESPONDENT THE ORIGINALS OF WHICH WERE NEVER PRESENTED BEFORE THE TRIAL COURT;

(D) ERRONEOUSLY IGNORE THE LACK OF PROBATIVE VALUE OF SUCH DOCUMENTARY EVIDENCE, SUCH LACK OF PROBATIVE VALUE BEING PATENT ON THE FACE OF SUCH DOCUMENT;

(E) ERRONEOUSLY IGNORE THE VERITY THAT THE DOCUMENTARY EVIDENCE COULD SUPPORT NO MORE THAN THE FACT THAT THE RESPONDENT'S PREDECESSOR-IN-INTEREST HAD MERELY A QUESTIONABLE INCHOATE AND INCOMPLETE RIGHT TO ACQUIRE THE PROPERTY IN QUESTION, WHICH QUESTIONABLE INCHOATE AND IN FACT UNCOMPLETED RIGHT CANNOT PREVAIL OVER THE TITLE OF PETITIONER'S PREDECESSOR-IN-INTEREST WHO WAS THE ACTUAL POSSESSOR THAT APPLIED FOR THE PURCHASE OF THE LAND, EVERY NEEDED STEP FOR THE PURCHASE HAVING BEEN PASSED UPON AND RECORDED BY THE BUREAU OF LANDS WHOSE RECORDS SHOW ONE AND ONLY TITLE ISSUED OVER THE LAND, THAT IS, THE TITLE OF THE PETITIONER'S PREDECESSOR-IN-INTEREST." (pp. 20-22, Rollo)

We find the petition impressed with merit.

Since the assigned errors are interrelated, it would be well for this Court to discuss them jointly.

Petitioner does not question the factual findings made by the respondent appellate court and supported by the records (p. 22, Rollo). It does not however accept the legal conclusion made by the appellate court and trial court that the registered title of private respondent to the land should prevail over its own title.

Petitioner contends that Act No. 1120, otherwise known as the Friar Lands Act provides the procedure for the sale and disposition of the friar lands to private persons; that pursuant thereto, the acquisition by petitioner's predecessor-in-interest Julian Peñaranda of the disputed Lot 7449, which was formerly part of the friar lands estate, was in compliance with all legal requisites laid down in Act No. 1120, for the validity of the sale by the government in favor of Peñaranda of such friar lands.

It also argues that the sale of Lot No. 7449 to respondent's predecessor, Mabini Legaspi, and the issuance of a certificate of title in her favor was in violation of the Friar Lands Act as there was no required approval by the Secretary of Agriculture and Natural Resources.

There is no dispute here that the land involved in this case is a friar land and that the laws which are applicable are Act No. 1120, known as the Friar Lands Act, providing for the administration and temporary leasing and sale of certain haciendas and parcels of land, commonly known as friar lands, and Commonwealth Act No. 32 dated September 15, 1936 as amended by Commonwealth Act No. 316 dated June 9, 1938, which provided for the subdivision and sale of all the portions of the friar lands estates remaining undisposed of.

Sec. 12 of Act No. 1120 provides in part:

"... the Chief of the Bureau of Public Lands shall give the said settler and occupant a certificate which shall set forth in detail that the Government has agreed to sell to such settler and occupant the amount of land so held by him at the price so fixed payable as provided in this Act at the Office of the Chief of the Bureau of Public Lands x x x and that upon the payment of the final installment together with all accrued interest the Government will convey to such settler and occupant the said land so held by him by proper instrument of conveyance, which shall be issued and become effective in the manner provided in section one hundred and twenty-two of the Land Registration Act."

Also, Sec. 18 of the same Act provides:

"No lease or sale made by the Chief of the Bureau of Public Lands under the provisions of this Act shall be valid until approved by the Secretary of the Interior." (Emphasis ours)

Similarly, Sec. 2 of C.A. No. 32, as amended by C.A. No. 316 provides in part:

"x x x. The persons who, at the time of the subdivision survey are actual and bona fide occupants of any portion of the Friar Lands Estates, not exceeding ten hectares, shall be given preference to purchase the portion occupied at a private sale and at a price to be fixed in such case, by the Director of Lands, subject to the approval of the Secretary of Agriculture and Commerce, after taking into consideration its location, quality, and any other circumstances as may affect its value, the provisions of section twelve of Act Numbered Eleven hundred and twenty, as amended, to the contrary, x x x." (Emphasis ours)

It is clear from the foregoing provisions that the friar lands were purchased by the government for sale to actual settlers and occupants at the time said lands are acquired by the government. The Bureau of Lands shall first issue a certificate stating therein that the government has agreed to sell the land to such settler or occupant. The latter then shall accept the certificate and agree to pay the purchase price so fixed and in the installments and at the interest specified in the certificate.

The conveyance executed in favor of a buyer or purchaser, or the so called certificate of sale, is a conveyance of

the ownership of the property, subject only to the resolutive condition that the sale may be cancelled if the price agreed upon is not paid for in full. The purchaser becomes the owner upon the issuance of the certificate of sale in his favor subject only to the cancellation thereof in case the price agreed upon is not paid (*Pugeda v. Trias*, No. L-16925, March 31, 1962, 4 SCRA 849).

Upon the payment of the final installment together with all accrued interests, the government shall then issue a final deed of conveyance in favor of the purchaser. However, the sale of such friar lands shall be valid only if approved by the Secretary of Interior as provided in Act No. 1120. Later laws, however, required that the sale shall be approved by the Secretary of Agriculture and Commerce. In short, the approval by the Secretary of Agriculture and Commerce is indispensable for the validity of the sale.

It is undisputed that petitioner's predecessor, Julian Peñaranda was the actual occupant of Lot 7449 when he filed his application to purchase the said lot on November 22, 1968; that on December 16, 1969, the Secretary of Agriculture and Natural Resources approved the sale of the lot without auction to Peñaranda; that a sales contract was executed between the Director of Lands and Peñaranda on February 28, 1969 for a consideration of P1,198.00 payable in 10 monthly installments; that upon the full payment of the price, the Undersecretary of Agriculture and Natural Resources issued the final deed of conveyance of Lot No. 7449 in favor of Peñaranda. Subsequently, the Register of Deeds of Cavite issued TCT No. 39631 in the name of Peñaranda, and when the latter sold the land to petitioner, TCT No. 39631 was cancelled and TCT No. T-80889 was issued in favor of the latter.

Clearly, the purchase of the friar land made by Peñaranda was in compliance with law. The execution of the sales contract vested the right of ownership in Peñaranda over the land. There is no doubt whatsoever that the said sale was valid as it was approved by the Secretary of Agriculture and Natural Resources. Hence, the sale made by Peñaranda in favor of the petitioner transferred the ownership of the land in favor of the latter resulting in the proper issuance of TCT NO. T-80889 in its name.

On the other hand, the antecedents leading to the acquisition of title by respondent Virata are clearly shown in the records. The latter's predecessor, Mabini Legaspi bought Lot 7449 in a sale by public auction held on May 5, 1943 conducted by the Bureau of Lands and friar lands agent Severino Rivera, and paid the purchase price thereof in installments in 1943; that on December 12, 1944, the Bureau of Lands sent a letter to the Register of Deeds of Cavite requesting the issuance of certificates of title to several persons including Mabini Legaspi, in whose favor TCT A-2188 was issued; that subsequently on December 6, 1957, she sold the disputed land to respondent Virata, which was evidenced by a deed of sale registered with the Registry of Deeds of Cavite on December 10, 1957; that on the same date, TCT No. 11520 was issued in the name of Virata. Due to the fire which gutted the building housing the Registry of Cavite on June 7, 1959, the latter administratively reconstituted the original of TCT No. 11520 on September 1, 1959, based on the owner's duplicate certificate and renumbered the same as TCT No. 11520 RT 1660.

Apparently, the sale of the lot to Mabini Legaspi occurred much earlier than the date of acquisition of same lot by petitioner's predecessor, and the evidence presented by respondent Virata indicates that the latter's predecessor paid the purchase price of Lot No. 7449 on installments.

Nowhere in the evidence for the respondent or in the records of this case however, would show that a certificate of sale was ever issued by the Bureau of Lands, which would vest ownership and title over the land in favor of Mabini Legaspi. The existence of the official receipts showing payment of the price of the land by Legaspi does not prove that the land was legally conveyed to her without any contract of sale having been executed by the government in her favor. Viewed from all angles, the acquisition of the lot by Legaspi was highly irregular and

void, and not in compliance with the procedure mandated by law for the sale of friar lands. For one thing, Mabini Legaspi allegedly purchased the land in a sale at public auction, which procedure is nowhere provided in Act No. 1120 or in C.A. 32, as amended by C.A. 316. The laws expressly state that an actual occupant of the land shall purchase the lot occupied by him at a private sale and not in a sale at public auction (Sec. 2, C.A. 32 as amended). Further, neither was there any deed of conveyance issued to Legaspi by the government after the full payment of the installments on the disputed lot.

Highly significant at this point is the fact that there was neither allegation nor proof that the sale was with the approval of the Secretary of Agriculture and Commerce. The absence of such approval made the supposed sale null and void ab initio. Without the certificate of sale to prove the transfer of the ownership of the land from the government to Mabini Legaspi and without the required approval of the sale by the Secretary of Agriculture and Commerce, We find that Mabini Legaspi did not in any manner acquire ownership over the land in 1943. The ownership or title over the friar land, specifically Lot No. 7449 remained in the government until Peñaranda, petitioner's predecessor, lawfully acquired ownership over the same lot on February 28, 1969 by virtue of a sales contract executed in his favor.

The issuance of a certificate of title in favor of Mabini Legaspi did not vest ownership upon her over the land nor did it validate the alleged purchase of the lot, which is null and void. Time and again, it has been held that registration does not vest title. It is merely evidence of such title over a particular property. Our land registration laws do not give the holder any better title than that what he actually has (*De Guzman, et al. v. Court of Appeals*, G.R. L-46935, December 21, 1987, 156 SCRA 701; *Cruz v. Cabana*, No. 56232, June 22, 1984, 129 SCRA 656).

Although a period of one year has already expired from the time the certificate of title was issued to Mabini Legaspi pursuant to the alleged sale from the government, said title does not become incontrovertible but is null and void since the acquisition of the property was in violation of law. Further, the petitioner herein is in possession of the land in dispute. Hence, its action to quiet title is imprescriptible (*Coronel v. Intermediate Appellate Court*, No. 70191, October 29, 1987, 155 SCRA 270). In one case, this Court ruled that an adverse claimant of a registered land who is in possession thereof for a long period of time is not barred from bringing an action for reconveyance which in effect seeks to quiet title to the property against a registered owner relying upon a Torrens title which was illegally or wrongfully acquired (*Caragay-Layno v. Court of Appeals*, 133 SCRA 718). In actions for reconveyance of property predicated on the fact that the conveyance complained of was void ab initio, a claim of prescription of the action would be unavailing (*Corpus, et al. v. Beltran, et al.*, 97 Phil. 722; *Agne v. Director of Lands*, G.R. L-40399, February 6, 1990, 181 SCRA 793). Being null and void, the sale made to Mabini Legaspi and the subsequent titles issued pursuant thereto produced no legal effects whatsoever. *Quod nullum est, nullum producit effectum* (*Agne v. Director of Lands*, *supra*). There being no title to the land that Mabini Legaspi acquired from the government, it follows that no title to the same land could be conveyed by the former to respondent Virata.

Even assuming that respondent Virata was a purchaser in good faith and for value, the law is, as between two persons both of whom are in good faith and both innocent of any negligence, the law must protect and prefer the lawful holder of registered title over the transferee of a vendor bereft of any transmissible rights (*Baltazar v. Court of Appeals*, G.R. 78728, December 8, 1988, 168 SCRA 354, *emphasis ours*). Further, if a person happened to obtain property by mistake or to the prejudice of another with or without bad faith, the certificate of title which may have been issued to him under the circumstances may and should be cancelled or corrected.

Our unavoidable conclusion in this case is that the title of petitioner under the Torrens land system should be upheld considering that no previous valid title to the same land existed.

ACCORDINGLY, the petition is hereby GRANTED and the decision of the respondent Court of Appeals dated July 13, 1987 is hereby REVERSED. Petitioner Solid State Multi-Products Corporation is hereby declared the true owner of the land covered by Transfer Certificate of Title No. T-80889. The Register of Deeds of Cavite is ordered to cancel Transfer Certificate of Title No. (T-11520) RT-1660 in the name of respondent Antenor Virata.

SO ORDERED.

Narvasa, (Chairman), Cruz, Gancayco, and Griño-Aquino, JJ., concur.

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