

LILIA LIWAG, PETITIONER, VS. COURT OF APPEALS AND HEIRS OF THE SPOUSES VICENTE S. CRUZ AND JUANA EUSTAQUIO, AS REPRESENTED BY ADELA CRUZ CAYETANO, NONITA CRUZ AND JOVITA CRUZ, R...

G.R. No. 86074. December 20, 1989

Ponente: REGALADO, J.

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REGALADO, J.:

Petitioner seeks the reversal of the resolutions of respondent Court of Appeals in CA-G.R. SP No. 12101, entitled "The Heirs of Vicente S. Cruz, et al. vs. Hon. Rafael de la Cruz, et al.," dated March 17, 1988[1] and December 7, 1988,[2] respectively.

As the factual backdrop of this case, the records tell us that the late Vicente S. Cruz filed a petition for the reconstitution of his lost original copy of Transfer Certificate of Title No. 42408 of the Register of Deeds of Rizal in Branch 21 (now Branch 160) of the then Court of First Instance of Pasig docketed as LRC (Reconstitution) Case No. 80, entitled "In Re: Petition for Reconstitution of the Original Transfer Certificate of Title No. 42408-Rizal Registry, Vicente Cruz, Petitioner." The property covered by said certificate of title is located at Barrio Bayan-Bayanan (now Concepcion), Marikina, Rizal, consisting of two (2) lots with an aggregate area of 1,307,755 square meters, more or less. It appears that said Transfer Certificate of Title No. 42408 was derived from the sales patent issued to Sisenando Cruz, father of Vicente Cruz. On June 5, 1978, the land registration court rendered a decision in said Reconstitution Case No. 80 directing the Register of Deeds of Rizal to reconstitute the lost original of Transfer Certificate of Title No. 42408 pursuant to the provisions of Republic Act No. 26.[3] Consequently, Transfer Certificates of Title Nos. N-96819 and N-96820 were issued in the name of Vicente S. Cruz.[4]

After said Transfer Certificate of Title No. 42408 was reconstituted, the late Vicente S. Cruz ostensibly sold the lots covered thereby to petitioner pursuant to a deed of sale executed on May 18, 1984.[5] Curiously, it likewise appears that after said sale, the Cruz spouses executed a special power of attorney on September 21, 1984 appointing petitioner as their attorney-in-fact with the power to manage and administer the subject property.[6]

On February 4, 1986, herein petitioner filed an omnibus motion[7] in the same Reconstitution Case No. 80, now in Branch 160 of the Regional Trial Court at Pasig, Metro Manila, alleging that the subject two (2) parcels of land were sold to her by Vicente S. Cruz in a deed of sale executed on May 18, 1984 but the certificates of title and deed of sale therefor were allegedly lost, hence she prayed for a declaration of the nullity of the owner's duplicate copies of Transfer Certificates of Title Nos. N-96819 and N-96820. The court below granted the petition and ordered the cancellation of the aforementioned certificates of title on February 10, 1986,[8] as a consequence of which Transfer Certificates of Title Nos. N-115722[9] and N-115723[10] were issued in the name of petitioner Liwag. On March 25, 1986, petitioner executed a deed of sale of the said two (2) parcels of land in favor of Teresita L. Paz in consideration of the stated sum of P4,000,000.00.[11]

On April 29, 1986, private respondents, as heirs of Vicente S. Cruz and Juana Eustaquio, filed Civil Case No. 53389 in Branch 162 of the Regional Trial Court in Pasig, Metro Manila against Lilia Liwag, Teresita Liwag Paz and the Register of Deeds for Marikina Branch for the nullification of the aforesaid deed of sale allegedly executed by their deceased parents in favor of petitioner Liwag and the cancellation of Transfer Certificates of Title Nos. N-115722 and N-115723.[12] Private respondents further prayed for the declaration of the nullity of the subsequent deed of sale executed between petitioner and Teresita Paz on March 25, 1986, on the ground that the aforesaid two (2) deeds of sale were absolutely simulated. Additionally, private respondents also sought to have said Transfer Certificates of Title Nos. N-115722 and N-115723 declared null and void for having been illegally reconstituted by a court totally devoid of jurisdiction in violation of Section 109 of the Property Registration Decree, Presidential Decree No. 1529, in relation to Section 113 of Act No. 496. Petitioner Liwag filed her answer on July 21, 1986.[13]

In the course of the proceedings before Branch 162, private respondents, as plaintiffs, and Teresita Paz, as defendant, entered into a compromise agreement dated September 25, 1986,[14] which was approved by the court on December 8, 1986.[15] Pursuant thereto, Transfer Certificates of Title Nos. N-115722 and N-115723 were ordered cancelled and respectively replaced with Transfer Certificate of Title No. N-127021[16] issued in the name of private respondents, as owners of 496,938 square meters and Teresita Paz as the owner of 100,000 square meters, and Transfer Certificate of Title No. N-127022[17] which was issued in the name of private respondents.

On February 27, 1987, petitioner filed a petition for relief[18] in said case from the aforesaid judgment on compromise, alleging that her exclusion from the compromise agreement without her consent and knowledge is unlawful by reason of the fact that Teresita Paz had reconveyed the parcels of land to her in a deed of sale executed on August 27, 1986,[19] prior to the execution of the compromise agreement.

Said petition for relief was denied, prompting herein petitioner to file a petition for the cancellation of Transfer Certificates of Title Nos. N-127021 and N-127022, pursuant to Section 108 of Presidential Decree No. 1529, this time before Branch 160 of the Regional Trial Court of Pasig in the same Reconstitution Case No. 80.[20] After notice, private respondents filed a motion for inhibition[21] on the ground of partiality on the part of the presiding judge therein, with an opposition[22] and a supplemental opposition[23] to the petition. On May 5, 1987, the presiding judge of Branch 160, Judge Rafael de la Cruz, issued an order denying the motion for inhibition. A subsequent order was issued on May 14, 1987 granting the petition, directing the cancellation of Transfer Certificates of Title Nos. N-127021 and N-127022 and ordering the issuance of new titles in the name of petitioner Liwag.[24]

Private respondents elevated these orders of May 5, 1987 and May 14, 1987, for having been issued without jurisdiction, to the Court of Appeals in a petition for certiorari docketed therein as CA-G.R. SP No. 12101.[25] The petition was initially denied due course by respondent court in its decision of October 30, 1987,[26] but said judgment was subsequently reconsidered and the relief prayed for by private respondents was eventually granted in a resolution dated March 17, 1988.[27] Petitioner's motion for reconsideration was denied on December 7, 1988,[28] hence this petition.

As capsulized from the errors assigned in petitioner's memorandum, respondent court is faulted as having gravely erred in:

- (1) Giving due course to the petition for certiorari of respondent heirs in case CA-G.R. SP No. 112101, said petition being definitely insufficient in form and substance;
- (2) Giving due course to respondent heirs' motion for reconsideration of the original decision in case CA-G.R. SP No. 112101 which dismissed their petition;

(3) Declaring null and void the order of Judge Rafael de la Cruz in Reconstitution Case No. 80 for the cancellation of respondent heirs' TCT Nos. N-127021 and N-127022, on the ground that said order was in effect a review of the decision of Judge Manuel Padolina (Branch 162) in Civil Case No. 53389 as, in fact, the respondent judge annulled the judgment in said civil case;

(4) Refusing and/or failing to declare that the decision of Branch 162 of the Regional Trial Court of Pasig in Civil Case No. 53389, approving the compromise agreement submitted therein, is null and void; and

(5) Holding that in the case at bar, there is a serious controversy on the ownership of the parcels of land covered by the transfer certificates of title.

We find for private respondents.

The basic issue for resolution is whether Branch 160 of the aforesaid regional trial court, sitting as a land registration court, has jurisdiction over the petition for cancellation of titles filed by petitioner Liwag in Reconstitution Case No. 80.

While the petition for cancellation was supposedly filed pursuant to Section 108 of Presidential Decree No. 1529, or the Property Registration Decree, for the reconstitution of an allegedly lost title, the material allegations therein readily disclose that such was not the real intendment of petitioner. An examination of said petition reveals that, for all intents and purposes, it actually seeks a reversal or setting aside of the decision rendered in Civil Case No. 53389 by Branch 162 of the same court by attacking the legality and validity of the stipulations contained in the compromise agreement submitted by the parties therein which was approved by said branch in its judgment upon compromise.

It bears repeating that in her petition filed in Reconstitution Case No. 80 in Branch 160, petitioner asked the court therein to declare null and void the cancellation of her titles by the register of deeds as a result of the approval of what she alleged were unlawful provisions in the compromise agreement in Civil Case No. 53389 in Branch 162. Private respondents, however, vehemently objected to the contentions of petitioner alleging that the assailed stipulations are valid and binding. It is thus evident that the issue involved in the instant case is not a simple reconstitution of a lost title but is actually a challenge to the legality and enforceability of the judgment upon compromise rendered in Civil Case No. 53389.

This controverted point per se is beyond the jurisdiction of the land registration court acting on a petition filed under Section 108 of Presidential Decree No. 1529, the proceedings wherein are summary in nature and are allowed only when a scrutiny of the allegations discloses that the issues are patently insubstantial as not to be genuine issues.[29] Furthermore, the relief provided for under Section 108 requires that there be unanimity of parties, that is, that there be no adverse claim or serious objection on the part of any party in interest.[30] Considering the serious and weighty objections raised by private respondents, petitioner cannot legally invoke or avail herself of Section 108 in support of the relief she aspires for. The land registration court should have dismissed the petition without prejudice to the right of petitioner to file the appropriate action in the proper court.

Likewise, as a co-equal and coordinate branch of the same regional trial court, Branch 160 obviously has no authority to entertain the petition for cancellation which, as hereinbefore stated, is actually one for annulment of the judgment of Branch 162 of said regional trial court.[31] Cases of such nature fall exclusively within the original jurisdiction of the Court of Appeals pursuant to Section 9 of Batas Pambansa Blg. 129. However, the Court of Appeals could not likewise rule on the validity of the judgment upon compromise in the petition for certiorari as formulated and filed before it in CA-G.R. SP No. 12101, as petitioner Liwag would have it. Aside from the adjective nature of that case and the issues which would have to be joined and substantiated therein, such a relief would require the presentation of evidence to prove the basic antecedental facts and the alleged fraud

committed on petitioner by herein private respondents, and not merely "incidental" facts not touched upon or fully heard by the trial court. It would necessarily require a full-blown trial on the merits of the main factual issue which properly pertains to a trial court.[32]

WHEREFORE, the assailed resolutions of respondent court are hereby AFFIRMED, without prejudice to the right of petitioner to institute the appropriate remedy in the proper forum for such reliefs as she believes she is entitled to.

SO ORDERED.

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

[1] Penned by Justice Jorge R. Coquia and concurred in by Justices Josue N. Bellosillo and Venancio D. Aldecoa, Jr.; Rollo, 55.

[2] Justice Venancio D. Aldecoa, Jr., ponente, with the concurrence of Justices Josue N. Bellosillo and Emeterio C. Cui; Rollo, 60.

[3] Rollo, 224-250.

[4] Comment of Private Respondents, 2.

[5] Ibid., Annex B.

[6] Rollo, 251.

[7] Ibid., 254.

[8] Ibid., 126.

[9] Ibid., 84.

[10] Ibid., 89.

[11] Ibid., 93-94.

[12] Ibid., 95.

[13] Ibid., 99.

[14] Ibid., 109.

[15] Ibid., 113.

[16] Ibid., 120.

[17] Ibid., 123.

[18] Ibid., 140.

[19] Ibid., 105.

[20] Said petition was entitled "In Re: Petition for Cancellation of TCT Nos. N-127021 and N-127022, pursuant to Section 108 of P.D. No. 1529 (formerly Section 112 of Act No. 496). Lilia L. Liwag, Petitioner, vs. The Heirs of the Spouses Vicente S. Cruz and Juana Eustaquio, et al., Respondents."; Rollo, 72-83.

[21] Rollo, 128.

[22] Ibid., 133.

[23] Ibid., 150.

[24] Ibid., 175.

[25] Ibid., 62.

[26] Ibid., 50.

[27] Ibid., 55.

[28] Ibid., 60.

[29] Sangalang Sr. vs. Caingat, 25 SCRA 180 (1968).

[30] Castillo vs. Ramos, 78 Phil. 809 (1947).

[31] Cabigao, et al. vs. Del Rosario, et al., 44 Phil. 182 (1922); Mas vs. Dumara-og, et al., 12 SCRA 34 (1964).

[32] Lingner & Fisher GMBH vs. Intermediate Appellate Court, et al., 125 SCRA 522 (1983).

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