

THE MANILA RAILROAD COMPANY, PLAINTIFF AND APPELLEE, VS. MARIA DEL CARMEN RODRIGUEZ ET AL., DEFENDANTS. SIDNEY D. SUGAR, APPELLANT.

G.R. No. 9440. January 27, 1915

Ponente: MORELAND, J.

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MORELAND, J.:

This appeal arises out of an action by the plaintiff for the condemnation of certain real estate for tracks, yards, and stations. There is no question as to the right of the plaintiff to condemn and there is no appeal from the findings or decision of the trial court in favor of the plaintiff, except as to a matter of interest. The principal contention is between the two appellants themselves, not between them or either of them and the railroad company.

The two appellants, Basa and Sugar, are contending for the ownership of lot No. 411-B, figured on the plan presented in these cases, containing an area of 3,752 square meters, the value of which has been determined by the lower court in a former decision to be P750.40.

There is no question as to the identity, area, or value, the appeal resolving itself merely into the question as to which of the two appellants has the better title to the land comprised in the lot marked as aforesaid. From the bill of exceptions presented by the appellant Rasa it would seem that, according to the plan prepared by the surveyor of the Bureau of Lands and offered as evidence during the trial, there was a hopeless conflict between the boundaries of the Hacienda de Leyton and the Hacienda de Estanzuela, from which appellants Basa and Sugar, respectively, derive their titles. The lot in question is that part of the two haciendas which, by reason of the conflict in boundaries, overlap on the plan referred to, which overlapping gives rise to the main question presented here for decision. The trial court held that the appellant Sugar had a better title than the appellant Basa and ordered judgment entered in favor of the Manila Railroad Company and against Basa and Sugar for the land and in favor of Sugar and against the Manila Railroad Company for its value, P750.40. The court, therefore, necessarily found against the contention of Basa, holding that the land in dispute between him and Sugar belonged to the latter.

The only question, apart from that of interest, presented on this appeal is the ownership of the money which is the value of the lot in dispute between the two appellants.

The only reason for the appeal by the appellant Sugar is to obtain from the railroad company interest upon the sum Which was found as the value of the land in dispute between the two appellants. The question of interest, which is raised by both appellants, is clearly put by the appellant Basa in his brief at page 9, where he says:

"We have nothing to say with relation to the Manila Railroad Company because the value of the parcel in dispute is deposited to be delivered to whomsoever entitled as adjudicated by a final decision. We only ask that in case the value of the parcel in question is adjudicated to Jose Basa that legal interest be allowed from July 1, 1907, in conformity with the decision of December 31, 1910. In case No. 519, page 22, bill of exceptions of Basa, this petition is also the object of the appeal made by Sr. Ramon Fernandez as attorney for Mr. Sugar."

As to this question, the judgment of the trial court of March 29, 1913, from which these appeals were taken, provides:

"While in the ordinary case interest would be allowed on this amount, on account of the exceptional circumstances in the present case, such as the dispute between the various claimants to the land in question, and the offer made by the Manila Railroad Company to pay as shown by its having deposited the money in the court and later withdrawing the same with the consent of the parties, the court believes that! the interest should not be allowed.

"Therefore the amount of the judgment will be without interest. No costs will be allowed to either party in these cases."

We are of the opinion that interest should not be allowed. As a general rule, unless an obligation, by its terms, or by understanding of the parties, bears interest from date, it will draw interest only from the time it becomes due. So far as the railroad company was concerned, the money in question was not due and the company could not pay it until the court had determined to which one of the appellants it belonged. The company not only deposited the money but stood ready and willing to pay the person to whom it belonged as soon as that fact should be determined. It in no way delayed the payment of the money nor was it responsible for the fact that it was not paid at the same time that other lands condemned in the same action were paid for. The appellants themselves, who were litigating over the ownership of the land, were the parties who, by their own acts, produced the delay in payment. It is true that the railroad company took possession of the land, but it is also true that it deposited the money in court when it did so, and, although later it withdrew the money, it did so only with the consent of both parties. We do not believe that these facts give rise to an obligation on the part of the company to pay interest. If it had been shown that the railroad company actually earned profits or interest with this particular fund, a different question might have arisen. Moreover, the railroad company having made the deposit in court as required by law, such deposit constituted a payment and extinguished the obligation; and a deposit by its nature does not draw interest except when there is an agreement to the contrary. Nor was the return of the money made to the railroad company as owner. It was made to it simply as the purchaser of real estate to hold for the person who, in future, should be determined to be entitled thereto. The railroad company held it in precisely the same manner as would a third person to whom it had been delivered pending its final disposition. '

The appellant Jose Basa bases his appeal principally on errors which he alleges the trial court committed in deciding that the land in question belonged to Sugar instead of to him. It is clear from the evidence in this case that Sugar had a Torrens title to the land in dispute. This fact is apparently not disputed by the appellant Basa and he bases his right to a reversal of the judgment on the proposition that he had a title registered in the registry of property under the Spanish system some thirty years prior to the time when Sugar obtained Torrens title to the same land, and that, therefore, his title, being older and having been registered under the system in vogue under the Spanish regime long before that of Sugar, it should take precedence over Sugar's title; and that, this being so, he should, accordingly, be declared the true owner of the land described in the conveyance.

This contention is not sound. A Torrens title is superior to every other title preceding it. Under the provisions of Act No. 496 "every decree of registration shall bind the land, and quiet title thereto, subject only to the exceptions stated in the following section. It shall be conclusive upon and against all persons, including the Insular Government and all the branches thereof, whether mentioned by name in the application, notice, or citation, or included in the general description 'To all whom it may concern.' Such decree shall not be opened by reason of the absence, infancy, or other disability of any person affected thereby, nor by any proceeding in any court for reversing judgments or decrees." In the proceeding to register Sugar's title, it is to be presumed, and there is no question in regard to this, that all steps were taken necessary to give the Court of Land Registration jurisdiction of

the case and to notify duly all persons who were necessary parties to the proceeding. The steps required by law having been duly taken and the title having been registered by proper decree, it was good, after it became final, as to everybody, and cannot be attacked by! any person claiming the same land under title anterior to the decree of registration.

The judgment appealed from is affirmed, with costs against the appellant Basa. So ordered.

Arellano, C. J., Torres, Carson, Trent, and Araullo, JJ., concur.

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