

PETRONILO VALENZUELA ET AL., PLAINTIFFS AND APPELLANTS, VS. VICENTE LOPEZ ET AL., DEFENDANTS AND APPELLEES.

G.R. Nos. 27565-27566. December 24, 1927

Ponente: AVANCEÑA, C.J.

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AVANCEÑA, C.J.:

These two cases were tried together in the court below and but one judgment rendered for both.

The decision handed down on August 3, 1918 in regard to lot 1897 in cadastral proceeding No. 4, G. L. R. 0. Record No. 103 of the Court of First Instance of Nueva Ecija, reads as follows:

"It having been shown by the evidence adduced at the trial that, except for certain portions of riparian forest land, not exceeding 200 hectares covered with trees of the first, second, and third groups, along the Patalac, Palasan, and Buhay creeks, all of the land in Question has been known for more than forty years to date, as the private property, and in continuous possession as owners, of Antonio Sangabol's father, and afterwards of his children and grandchildren, who subsequently sold it to the spouses Bartolome A. Ramos and Jorja Torres, it is ordered that after the portions specified above as containing timber have been segregated from lot 1897, the remaining portion be adjudged to, and registered in the name of, the conjugal partnership of Bartolome A. Ramos and Jorja Torres. The cadastral surveyor is hereby ordered with the aid of the forest inspector, to identify the portions covered by trees of the first, second, and third groups, not to exceed 200 hectares, along the aforementioned creeks, and to segregate them from the lot in question, later filing with the court a sketch together with the proper technical description, showing the various portions or new lots into which lot 1897 is subdivided."

No appeal was taken from this judgment.

This lot originally belonged to Antonio Sangabol's heirs from whom Bartolome A. Ramos and his wife Jorja Torres purchased it. But this sale having been subsequently rescinded, Antonio Sangabol's heirs conveyed it to Arsenio Sanguenza, who later also sold it to Fernando Busuego, and who, in turn, transferred it to the spouses Fernandez Lopez and Carmen Gonzales. In view of these conveyances, the court on January 6, 1922 amended its decision rendered on August 3, 1918, upon petition of the interested parties, and ordered that, after the exclusion of the portions not to exceed 200 hectares, pursuant to the judgment of March 3, 1918, this lot be adjudged to, and registered in the name of, the spouses Vicente Lopez and Carmen Gonzales. By the order of the court, surveyor Silverio Choco accompanied by an inspector appointed by the Bureau of Forestry went to the land for the purpose of locating the portions which could be considered forest land, in the segregation ordered. As a result of this action, the provincial fiscal of Nueva Ecija, at the request of the Director of the Bureau of Forestry, filed a petition in the court on May 22, 1923, to the effect that, after an investigation by the said Bureau, it was found that the land included in lot 1897 is not forest land throughout, and he therefore prays that only a strip of 15 meters on each side of the creeks be segregated from said lot. The spouses Lopez and Gonzales objected to this petition and made application that all of said lot be registered in their name. On June 11, 1923 this cause was heard at the request of the fiscal, there being present the said fiscal and the attorneys for Vicente Lopez and Carmen Gonzales,

the latter introducing their evidence and the provincial fiscal waiving his right to present any. On July 9th of the same year, the court, finding that said lot 1897 did not contain any portion which might be considered as forest land, denied the provincial fiscal's petition and ordered the registration of the whole lot in the name of the spouses Vicente Lopez and Carmen Gonzales.

In 1920, during the course of these proceedings, the plaintiffs occupied the two portions of land included in the 200 hectares subject to segregation in accordance with the court's order, as a homestead. Said plaintiffs continued in said possession levelling trees and otherwise preparing the land for cultivation, until 1921.

The plaintiffs now bring this action against the spouses Vicente Lopez and Carmen Gonzales praying that they be ordered to transfer to them the parcels of land occupied by them, or, if such an order cannot lie, that they be ordered to pay them the amount spent by them in improving these portions.

The court absolved the defendants from the complaint. The plaintiffs allege that they spent P5,486.30 on these portions. They base their action on section 102 of Act No. 2874, which reads:

"Any owner of uncultivated agricultural land who knowingly permits application for the same to be made to the Government and the land to be tilled and improved by a bona fide grantee without protesting to the Bureau of Lands within one year after cultivation has begun, shall lose all right to the part of the land so cultivated and improved, unless he shall bring action in the proper court before such action for recovery prescribes and obtains favorable judgment therein, in which case the court shall, upon its decision having become final, order the payment to the grantee, within a reasonable period, of the indemnity fixed by said court for the cultivation and improvement."

It is seen from the foregoing that in the years 1920 and 1921 when the plaintiffs occupied and worked these portions preparatory to cultivation thereof, defendants' title to said portions had not yet been defined, since the registration of lot 1897 in their name ordered by the trial court was subject to the segregation of an area not to exceed 200 hectares in which the portions occupied by the plaintiffs were situated in that year. Such being the case, when the plaintiffs occupied these portions, the defendants could not proceed against them, since they had not yet been declared the owners of these 200 hectares.

But the plaintiffs were undoubtedly possessors in good faith and made these improvements on the land in the belief that they were entitled to make them, and that they would eventually become the owners thereof. Under article 453 of the Civil Code, as such bona fide possessors, they are entitled to reimbursement of the useful expenditures, with the right to retain the land until such reimbursement is made.

Plaintiffs admit that between the two of them, they succeeded in cleaning up and making ready for cultivation only 15 hectares. They likewise admit that the amount of P5,486.30 which they allege having spent, consisted mainly of the purchase of farming implements and work animals, which they still possess and which are in good condition. They also admit that as reimbursement of their labors on the land they have received its fruits. The right to reimbursement for expenses is limited to the increased value of the land due thereto. Naturally, the cost of the farming implements and the work animals should be excluded from the computation, since the plaintiffs still have them and the latter do not remain on the land, as well as the expenses through which the plaintiffs received the fruits, insofar as they were made for their own benefit. The evidence does not distinguish one expense from another in order to determine which belongs to the defendants by reason of the increased value of the land. But, in view of all the circumstances of the case, we consider the sum of P50 per hectare as reasonable.

In virtue whereof, the judgment appealed from is reversed, and the defendants are ordered to pay P750 to the plaintiffs, with the right to retain the portion occupied by them until they are reimbursed in this sum by the defendants, without special pronouncement as to costs. So ordered.

Street, Villamor, Ostrand, Johns, and Villa-Real, JJ., concur.

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