Supreme Court E-Library

THIRD DIVISION

[G.R. No. 111027. February 3, 1999]

BERNARDINO RAMOS and ROSALIA OLI, *petitioners, vs.* **COURT OF APPEALS, RODOLFO BAUTISTA and FELISA LOPEZ,** *respondents.*

SYNOPSIS

On January 9, 1940, Lucia Bautista, predecessor of private respondents, in the cadastral proceedings involving lots 572 and 579 of the Gattaran Cadastre, was issued OCT Nos. 17811 and 17812. Thirty-six (36) years later, or on January 8, 1976, petitioners, as buyers of the subject lots, filed an action for reconveyance with damages against respondents spouses. They alleged that they bought the lots from Pedro Tolentino, claimants of the lots evidenced by two "Escritura de Compra Venta." Petitioners presented certified copies thereof claiming that the originals were lost in a fire that gutted the office of their counsel. They failed to present any person who could have witnessed the execution of the documents and likewise failed to prove that those documents were later registered. The trial court dismissed the complaint. It found that petitioner *Bernardino Ramos* failed to file an answer in the cadastral proceedings and also failed to avail of any petition to reopen proceedings, hence, laches had set in. It ruled that a title becomes indefeasible and incontrovertible after the expiration of one year from entry of the final decree of registration; and that reconveyance may only take place if the land that is claimed to be wrongfully registered is still registered in the name of the person who procured the wrongful registration. The decision was affirmed on appeal by the Court of Appeals.

Unregistered documents bind only the parties thereto and cannot operate against the whole world because of the basic civil law principle of relativity of contracts which provides that contracts can only bind the parties who had entered into it, and it cannot favor or prejudice a third person. Thus, failure to register the "Escritura De Compra Venta" resulted in the sale binding between the vendee and the vendor alone and cannot bind their successors-in-interest.

An action for reconveyance of real property resulting from fraud prescribes in four (4) years from discovery of the fraud. The period

Supreme Court E-Library

is counted from date of issuance of the original certificate of title which the law considers "constructive notice to all persons." An action based on implied or constructive trust prescribes in ten (10) years. Failure to avail of any of the remedies within the prescribed periods foreclosed their claims.

Inattention to titled property does not constitute abandonment for holders of the title have in their favor the protection of the law.

SYLLABUS

1. **REMEDIAL LAW; EVIDENCE; *ESCRITURA DE COMPRA VENTA*, AN ANCIENT DOCUMENT; EXISTENCE THEREOF NOT DULY PROVED IN CASE AT BAR.**— The two documents denominated as *Escritura de Compra Venta* which were executed in 1939 would have well qualified as ancient documents since they were already in existence for more than thirty years in 1976 when the case for reconveyance was initially filed. The original documents, however, were not presented in evidence as these had been apparently lost in the fire that gutted the office of petitioners' counsel. Under the circumstances, it should have been the duty of petitioners therefore to prove the existence of the documents in accordance with Rule 130 of the Revised Rules of Court. It appears that the loss of the two documents of sale was shown by testimonial evidence of petitioners' counsel, Atty. MacPaul B. Soriano, whose law office was burned. Upon realizing that the documents involved here had been irretrievably lost because of the fire, Atty. Soriano suggested to petitioners that they should see their other lawyer, Atty. Laggui, who could provide them with certified true copies thereof. This certification, however, does not imply that the documents certified to were authentic writings although it proves the existence of the documents purportedly evidencing the sale. Rule 132 provides the manner by which the due execution and authenticity of private writings like the deeds involved here, should be established. Unfortunately for petitioners, the documents upon which they relied in establishing their claim of ownership, had not been duly presented in evidence in accordance with the aforecited Rule. They failed to present any person who could have witnessed the execution of the documents, like the instrumental witnesses thereof. Understandably, they could not even demonstrate the genuineness of the signatures of the parties to the sale because the copies they offered in evidence did not bear those signatures. Consequently,

Supreme Court E-Library

under the Rules of Court, the documents' authenticity and due execution are suspect and may not be given that much weight.

2. **CIVIL LAW; OBLIGATIONS AND CONTRACTS; RELATIVITY OF CONTRACTS; PRIVATE DOCUMENTS BIND ONLY IMMEDIATE PARTIES.**— Assuming *arguendo* that the existence of the documents was properly established, still, the supposed agreement embodied in the two documents bound only the parties thereto, namely Pedro Tolentino and the petitioners, because the latter failed to prove that these were later registered as to operate against the whole world. They could not have bound third persons like Lucia Bautista because of the basic civil law principle of relativity of contracts which provides that contracts can only bind the parties who had entered into it, and it cannot favor or prejudice a third person. This basic principle applies even if the sales were supposedly concluded at a time prior to the operation of the Torrens system of land registration over the properties involved.

3. **ID.; LAND TITLES AND DEEDS; CADASTRAL ACT; ORIGINAL CERTIFICATES OF TITLE ISSUED THEREUNDER SHALL HAVE SAME EFFECT AS CERTIFICATES ISSUED UNDER LAND REGISTRATION ACT.**— Under the Cadastral Act, the original certificates of title issued to the original registrant, shall have the same effect as certificates of title granted on application for registration of land under the Land Registration Act, because "no title to registered land in derogation to that of the registered owner shall be acquired by prescription or adverse possession." Pedro Tolentino and petitioners, as the former's alleged successors-in-interest, have therefore no valid claim of ownership over the property, particularly since petitioners simply failed to substantiate the nature and extent of Tolentino's rights and interests over the lots. Such being the case, the conveyances in their favor were void as the subject properties were lawfully owned by another person.

4. **ID.; ID.; LAND REGISTRATION ACT; ONE YEAR PERIOD FROM ENTRY OF DECREE TO FILE PETITION FOR REVIEW.** — Section 38 of the Land Registration Act provides that a decree of registration duly issued is subject "to the right of any person deprived of land or of any estate or interest therein by decree of registration obtained by fraud to file in the competent Court of First Instance (now the Regional Trial Court) a petition for review within one year after entry of the decree, provided no innocent purchaser for value has acquired an interest." The same law provides

Supreme Court E-Library

that upon the expiration of the term of one year, "every decree or certificate of title x x x shall be imprescriptible."

5. ID.; PRESCRIPTION OF ACTIONS; ACTION FOR RECONVEYANCE RESULTING FROM FRAUD PRESCRIBES IN FOUR (4) YEARS.— Under the law, an action for reconveyance of real property resulting from fraud prescribes in four (4) years from the discovery of the fraud. Discovery of the fraud must be deemed to have taken place when Lucia Bautista was issued OCT Nos. 17811 and 17812 because registration of real property is considered a "constructive notice to all persons" and it shall be counted "from the time of such registering, filing or entering." An action based on implied or constructive trust prescribes in ten (10) years. This means that petitioners should have enforced the trust within ten (10) years from the time of its creation or upon the alleged fraudulent registration of the property. But as it is, petitioners failed to avail of any of the aforementioned remedies within the prescribed periods. With no remedy in view, their claims should forever be foreclosed.

6. ID.; LAND TITLES AND DEEDS; TORRENS SYSTEM OF LAND REGISTRATION; HOLDERS OF TITLE, PROTECTED. — Private respondents have in their favor the law that protects holders of title under the Torrens System of land registration. As this Court so eloquently pronounced in 1915: "Once a title is registered, the owner may rest secure, without the necessity of waiting in the portals of the court, or sitting in the *'mirador de su casa,'* to avoid the possibility of losing his land."

APPEARANCES OF COUNSEL

Jose de Luna for petitioners.
Jose T. Antonio for private respondents.

DECISION

ROMERO, *J.*:

May the heir of the original registrant of parcels of land under the Torrens System, be deprived of ownership by alleged claimants thereof through acquisitive prescription?

Supreme Court E-Library

Impugned in this petition for review on *certiorari* is the Decision[1] of the Court of Appeals which affirmed *in toto* that of the Regional Trial Court of Aparri, Cagayan, Branch VIII,[2] disposing of Civil Case No. VIII-7, an action for reconveyance with damages, as follows:

"WHEREFORE, in view of all the foregoing, judgment is hereby rendered as follows:

1. Ordering the dismissal of the instant case;

2. The defendants are hereby declared absolute owners of the land described in paragraph 2 of the complaint, Lot No. 572 and Lot No. 579 Gattaran Cadastre, Gattaran, Cagayan;

3. The affidavit of Self-Adjudication (Exhibit '6') and Transfer Certificate of Titles Nos. T-31699 and T-31698 (Exhibits '7' & '8') are hereby declared valid; and

4. Ordering the heirs of the late Bernardino Ramos and other persons acting in their behalf, to refrain from molesting or disturbing the possession and ownership of the defendants of the land described in paragraph 2 of the complaint, designated as Lot 572 and Lot 579 Gattaran Cadastre, Gattaran, Cagayan, covered by Original Certificate of Titles Nos. 17811 and 17812 which was (sic) cancelled by Transfer Certificate of Titles Nos. T-31699 and T-31698.

No pronouncement as to costs and damages.

SO ORDERED."

as well as the resolution of July 1, 1993, denying reconsideration thereof.

The records disclose the following antecedent facts:

On March 14, 1939, Pedro Tolentino, claiming absolute ownership over Lot Nos. 572 and 579 of the Gattaran *cadastre* in Lapogan, Gattaran, Cagayan, separately sold said lots to petitioners, the spouses Bernardino Ramos and Rosalia Oli, in consideration

---

[1] Penned by Associate Justice Segundino G. Chua; Cui and Rasul, *JJ.*, concurring.

[2] Presided by Judge Felipe R. Tumacder.

Supreme Court E-Library

of the amount of eighty pesos (P80.00) for each sale. The aforesaid conveyances were allegedly evidenced by two documents both entitled "*Escritura de Compra Venta*"[3] and acknowledged before a notary public.

Subsequently, however, petitioners instituted on January 8, 1976 an action for reconveyance with damages[4] alleging that while they were 'in open, public, adverse, peaceful and continuous possession" of the subject lots "in good faith and with just title, for not less than fifty (50) years, personally and through their predecessors-in-interest," they were surprised to discover in November 1975, that decrees of registration[5] covering Lot Nos. 572 and 579 were already issued on January 7, 1940. They complained further the subsequent issuance by the Register of Deeds of Cagayan on March 11, 1941, Original Certificates of Title Nos. 17811 and 17812 covering Lot Nos. 572 and 579, respectively, in favor of Lucia Bautista since the latter allegedly neither laid claim of ownership nor took possession of them, either personally or through another. Petitioners claimed instead that they were the ones who acquired prior ownership and possession over the lots to the exclusion of the whole world. Thus, they concluded that the original certificates of title as well as Transfer Certificates of Title Nos. T-31698 and T-31699 obtained by private respondent Rodolfo Bautista who adjudicated unto himself said lots on September 20, 1975, as sole heir of Lucia Bautista[6] were null and void. On the theory that they already acquired the subject lots by acquisitive prescription, petitioners demanded their return but private respondents refused to do so, hence, compelling them to file a complaint for reconveyance with damages.

---

[3] Exhibits A and B.

[4] The case was previously docketed as Civil Case No. II-226 but was later re-docketed as Civil Case No. VIII-7.

[5] Decree No. 736002 for Lot No. 572 and Decree No. 736003 for Lot No. 579.

[6] Private respondents showed that Lucia Bautista died during the Second World War without issue. Her brother, Felimon Bautista, private respondent Rodolfo Bautista's father, survived her. Rodolfo was previously married to Lucena Tolentino, a daughter of Pedro Tolentino, who died less than a year after their marriage. Private respondent Felisa Lopez is Rodolfo's second wife.

Supreme Court E-Library

On the other hand, herein private respondents, the spouses Rodolfo Bautista and Felisa Lopez, likewise claimed absolute ownership of the lots covered by TCT Nos. T-31698 and T-31699. They alleged that while the records of the Bureau of Lands showed that during the cadastral survey in Gattaran in 1932, Pedro Tolentino was a claimant over lands in the *cadastre*, the same was only with respect to Lot No. 1399 which was eventually titled under his name as OCT No. 16110. It just happened that Lot No. 1399 was adjacent to Lot No. 572, a portion of which was occupied by petitioners upon the tolerance of the original registrant Lucia Bautista.

By way of affirmative defense, private respondents maintained that the action for reconveyance filed by petitioners was tantamount to a reopening of the cadastral proceedings or a collateral attack on the decrees of registration which cannot be done without violating the rule on conclusiveness of the decree of registration. Moreover, they argued that since the lots were already under the operation of the Torrens System, acquisitive prescription would no longer be possible.

After due proceedings, the trial court dismissed petitioners' complaint underscoring the fact that during the cadastral proceedings in 1940, Bernardino Ramos did not file an answer for the two lots although he was allegedly the claimant and possessor thereof under the deeds of sale executed by Pedro Tolentino in his favor on March 14, 1939. Since it was only Lucia Bautista who filed an answer and who appeared to be the lawful claimant in the proceedings, she was therefore issued original certificates of title for the subject lots. The trial court presumed that everyone was notified about the proceedings inasmuch as cadastral proceedings are *in rem*. More notably, within one year from the issuance of the decree of registration on January 9, 1940, Bernardino Ramos likewise failed to avail of a petition to reopen the proceedings on the ground of fraud as he subsequently alleged in his belated action for reconveyance. Consequently, when the action for reconveyance was finally filed, more than thirty-six (36) years had already elapsed and laches had set in. The trial court ruled in this wise:

"The settled rule on the indefeasibility and incontrovertibility of the title after the expiration of one year from the entry of the final decree of

Supreme Court E-Library

registration, now bars the plaintiffs from availing this action for reconveyance; the property in question not having been satisfactorily shown that same was wrongfully titled to in the name of Lucia Bautista. Accordingly, her titles thereto, Exhibit '4' and Exhibit '5', are therefore valid. By operation of law Transfer Certificate of Title Nos. 31699 and 31698 in the name of Rodolfo Bautista (Exhibits '7' & '8') are also valid. The defendant Rodolfo Bautista is a possessor with a Torrens title who is not aware of any flaw of his title which invalidates it, is considered possessor in good faith and his possession does not lose this character except in the case and from the moment by final judgment of the Court (sic). *Diaz vs. Rodriguez,* L-20300-01 and *Republic vs. Court of Appeals,* L-20355-56, April 30, 1965, 13 SCRA 704.

In the same vein, it is a settled rule that a party seeking the reconveyance to him of his land that he claims had been wrongfully registered in the name of another person, must recognize the *validity of the certificate of title of the latter.* It is also a settled rule that a reconveyance may only take place if the land that is claimed to be wrongfully registered is still registered in the *name of the person who procured the wrongful registration.* No action for reconveyance can take place as against a third party who acquired title over the registered property in good faith and for value. Defendant Rodolfo Bautista fittingly steps into the shoes of an innocent third person." [italics supplied].

Dissatisfied with the trial court's disposition of the case, petitioners seasonably appealed the same to the Court of Appeals. The appellate court, however, found the conclusions reached by the trial court in accord with law and the evidence presented, hence, it affirmed the same *in toto* on October 23, 1992. Having been denied reconsideration, petitioners interposed the instant petition for review on *certiorari* alleging the following as grounds therefor:

1. RESPONDENT COURT OF APPEALS ERRED AND ACTED WITH GRAVE ABUSE OF DISCRETION IN AFFIRMING *IN TOTO* THE DECISION OF THE TRIAL COURT WHICH FOUND BY MERE PRESUMPTION THAT PRIVATE RESPONDENTS ARE IN POSSESSION OF THE LAND IN SUIT WHEN THE FACTS ADDUCED DURING THE TRIAL CLEARLY PROVED THAT PETITIONERS HAVE BEEN IN POSSESSION THEREOF FOR MORE THAN 30 YEARS.

2. RESPONDENT COURT OF APPEALS ERRED AND ACTED WITH GRAVE ABUSE OF DISCRETION IN FINDING THAT THE INSTANT

Supreme Court E-Library

ACTION FOR RECONVEYANCE INSTITUTED BY PETITIONERS HAD ALREADY PRESCRIBED.

3. RESPONDENT COURT OF APPEALS ERRED IN CONFORMING WITH THE TRIAL COURT'S DECISION THAT RECONVEYANCE WILL NO LONGER PROSPER IF THE LANDS IN SUIT HAD ALREADY BEEN TRANSFERRED TO A THIRD PERSON IN GOOD FAITH AND FOR VALUE WHEN THE FACTS SHOW THAT PRIVATE RESPONDENTS HAD ADMITTED THEY ALLEGEDLY INHERITED THE LANDS IN SUIT AND THEREFORE THEY ARE NOT THIRD PARTIES.

We sustain the appellate court's decision.

Inasmuch as petitioners anchor their claim of ownership over the parcels of land on the alleged deeds of sale executed by Pedro Tolentino in their favor, we believe that the issue of the authenticity and binding effect of those documents should be addressed at the outset.

The two documents denominated as *Escritura de Compra Venta* which were executed in 1939 would have well qualified as ancient documents[7] since they were already in existence for more than thirty years in 1976 when the case for reconveyance was initially filed. The original documents, however, were not presented in evidence as these had been apparently lost in the fire that gutted the office of petitioners' counsel. Under the circumstances, it should have been the duty of petitioners therefore to prove the existence of the documents in accordance with Rule 130 of the Revised Rules of Court, which states:

"SEC. 5. *When original document is unavailable.* – When the original document has been lost or destroyed, or can not be produced in court, the offerror, upon proof of its execution or existence and the cause of its unavailability without bad faith on his part, may prove its contents by a copy, or by a recital of its contents in some authentic document, or by the testimony of witnesses in the order stated."

It appears that the loss of the two documents of sale was shown by testimonial evidence of petitioners' counsel, Atty. MacPaul B.

[7] Sec. 21, Rule 132, Rules of Court; *Dablo v. Court of Appeals,* G.R. No. 93365, September 21, 1993, 226 SCRA 619, 627.

Supreme Court E-Library

Soriano, whose law office was burned. Upon realizing that the documents involved here had been irretrievably lost because of the fire, Atty. Soriano suggested to petitioners that they should see their other lawyer, Atty. Laggui, who could provide them with certified true copies thereof.[8] Thus, the copies of the documents that petitioners presented in court each contained the following certification:

"C E R T I F I C A T I O N

I, ANTONIO N. LAGGUI, Notary Public for and in the Province of Cagayan, hereby certify that the foregoing is a true, correct and literal copy of the original copy of Doc. No. 1, Page No. 44, Book No. 1, Series of 1939 of the Notarial Register Luis Rosacia, shown to me by, and in possession of Bernardino Ramos."

This certification, however, does not imply that the documents certified to were authentic writings although it proves the existence of the documents purportedly evidencing the sale. Rule 132 provides the manner by which the due execution and authenticity of private writings like the deeds involved here, should be established. Thus:

"SEC. 20. *Proof of private document.* – Before any private document offered as authentic is received in evidence, its due execution and authenticity must be proved either:

1. By anyone who saw the document executed or written; or;

2. By evidence of the genuineness of the signature or handwriting of the maker;

Any other private document need only be identified as that which it is claimed to be."

Unfortunately for petitioners, the documents upon which they relied in establishing their claim of ownership, had not been duly presented in evidence in accordance with the aforecited Rule. They failed to present any person who could have witnessed the execution of the documents, like the instrumental witnesses thereof. Understandably, they could not even demonstrate the genuineness

[8] TSN, February 2, 1989, p. 9.

Supreme Court E-Library

of the signatures of the parties to the sale because the copies they offered in evidence did not bear those signatures. Consequently, under the Rules of Court, the documents' authenticity and due execution are suspect and may not be given that much weight.

Furthermore, assuming *arguendo* that the existence of the documents was properly established, still, the supposed agreement embodied in the two documents bound only the parties thereto, namely Pedro Tolentino and the petitioners, because the latter failed to prove that these were later registered as to operate against the whole world. They could not have bound third persons like Lucia Bautista because of the basic civil law principle of relativity of contracts which provides that contracts can only bind the parties who had entered into it, and it cannot favor or prejudice a third person.[9] This basic principle applies even if the sales were supposedly concluded at a time prior to the operation of the Torrens system of land registration over the properties involved. When the properties were eventually titled in favor of Lucia Bautista, the sale between Pedro Tolentino and petitioners could not have affected Lucia Bautista and her successor-in-interest because the pertinent law in point, Act No. 496, as amended by P. D. No. 1529 unequivocably provides:

"SEC. 50. x x x. But no deed, mortgage, lease, or other voluntary instrument except a will, purporting to convey or affect registered land, shall take effect as a conveyance or bind the land, but *shall operate only as a contract between the parties and as evidence of authority to the clerk or register of deeds to make registration. The act of registration shall be the operative act to convey and affect the land,* and in all cases under this Act the registration shall be made in the office of the register of deeds for the province or provinces or city, where the land lies. [italics supplied].

SEC. 51. Every conveyance, mortgage, lease, lien, attachment, order, decree, instrument, or entry affecting registered land which would under existing laws, if recorded, filed, or entered in the office of the register of deeds, affect the real estate to which it relates shall, if registered, filed, or entered in the office of the register of deeds in the province or city where the real estate to which such instrument relates lies, be notice to all person from the time of such registering, filing, or entering."

---

[9] *Garcia v. Court of Appeals,* 327 Phil. 1097, 1113 (1996).

Supreme Court E-Library

Hence, petitioners' failure to register the *Escritura de Compra Venta* resulted in the sale being binding only between them and the vendor, Pedro Tolentino. Lucia Bautista and her successors-in-interest, being third parties to the sale, could not have been bound thereby.

To give a semblance of ownership over the properties, petitioners introduced in evidence documents showing that their successors-in-interest mortgaged the properties. While only owners of properties have the right to mortgage the same, the papers evidencing the alleged mortgages do not, however, conform to the formal and substantive requirements therefor. One such document[10] dated May 24, 1987 and handwritten in the English language described the property allegedly mortgaged to a certain Santos Tolentino as "a certain parcel of land estimated at one hectare." The other alleged mortgage instrument dated August 12, 1985,[11] likewise handwritten but in the Ilocano dialect, did not sufficiently describe the subject property of the mortgage. There is indeed no way that we can ever determine if the lands referred to in the mortgage were the lots now in controversy. At any rate, while petitioners' daughter, Erlinda Ramos, testified that the properties in controversy were the ones she and her sisters mortgaged, that claim is now self-serving since they are presently the claimants of the lands.[12] Interestingly, Erlinda herself admitted that her father never declared the lots for taxation purposes and neither did they ever pay real property taxes thereon. In short, the alleged mortgage papers could very well refer to properties other than Lot Nos. 572 and 579 and that the trial court correctly ruled that what petitioners proved can not ripen into ownership "in derogation to that of the registered owner."[13]

Petitioners' supposed possession of the lots for more than forty (40) years, therefore, stands as a bare claim with nothing whatsoever to prop it up. Under the circumstances of the case, they would only succeed upon sufficient evidence to support their allegation

---

[10] Exh. C or 2.

[11] Exh. D.

[12] Record, pp. 54-58.

[13] RTC Decision, p. 24.

Supreme Court E-Library

that fraud attended the registration of the property in Lucia Bautista's name. As it is, however, petitioners failed to present evidence on the matter thereby leaving their claim barren.

In contrast, private respondent Rodolfo Bautista's claim to the properties registered under the Torrens system which he traces to his aunt, Lucia Bautista, appears incontrovertible. Under the Cadastral Act, the original certificates of title issued to the original registrant, shall have the same effect as certificates of title granted on application for registration of land under the Land Registration Act, because "no title to registered land in derogation to that of the registered owner shall be acquired by prescription or adverse possession."[14] Pedro Tolentino and petitioners, as the former's alleged successors-in-interest, have therefore no valid claim of ownership over the property, particularly since petitioners simply failed to substantiate the nature and extent of Tolentino's rights and interests over the lots. Such being the case, the conveyances in their favor were void as the subject properties were lawfully owned by another person.[15]

Neither may petitioners' argument that private respondent Rodolfo Bautista, being the son-in-law of Pedro Tolentino, was bound by the sale and therefore he and his present wife hold the properties in trust for petitioners' successors-in-interest hold. On that basis, they aver that their right to claim the property in trust is imprescriptible.

But petitioners' argument would only be tenable upon proof that the property was acquired through mistake or fraud. As earlier observed, however, petitioners' claim of fraud was never substantiated and, hence, it has remained a groundless charge. Consequently, petitioners' claim of imprescriptibility of the action for reconveyance is baseless.

Section 38 of the Land Registration Act provides that a decree

---

[14] Sec. 46, Act No. 496 now Sec. 47 of the Property Registration Decree (P.D. No. 1529); *Umbay v. Alecha,* 220 Phil. 103, 106 (1985).

[15] *Sagrado Labrador v. Court of Appeals*, G.R. Nos. 83843-44, April 5, 1990, 184 SCRA 171, 175.

Supreme Court E-Library

of registration duly issued is subject "to the right of any person deprived of land or of any estate or interest therein by decree of registration obtained by fraud to file in the competent Court of First Instance (now the Regional Trial Court) a petition for review within one year after entry of the decree, provided no innocent purchaser for value has acquired an interest." The same law provides that upon the expiration of the term of one year, "every decree or certificate of title x x x shall be imprescriptible."

Under the law, an action for reconveyance of real property resulting from fraud prescribes in four (4) years from the discovery of the fraud.[16] Discovery of the fraud must be deemed to have taken place when Lucia Bautista was issued OCT Nos. 17811 and 17812 because registration of real property is considered a "constructive notice to all persons" and it shall be counted "from the time of such registering, filing or entering."[17] An action based on implied or constructive trust prescribes in ten (10) years. This means that petitioners should have enforced the trust within ten (10) years from the time of its creation[18] or upon the alleged fraudulent registration of the property. But as it is, petitioners failed to avail of any of the aforementioned remedies within the prescribed periods. With no remedy in view, their claims should forever be foreclosed.

The Court, however, subscribes to petitioners' argument that the courts *a quo* incorrectly held that private respondents are third persons to whom ownership of the properties had been transmitted. But this error alone may not save the day for petitioners. They have, in a sense, slept on whatever rights they claimed to have over the properties and by the time they were roused, the law had stepped in to bar their claims. On the other hand, private respondents' inattention to the property from the time of Lucia Bautista's death until private respondent Rodolfo Bautista's retirement from the military should not be construed as an abandonment thereof. Private

---

[16] *Guerrero v. Court of Appeals,* 211 Phil. 295, 305 (1983).

[17] Sec. 51 of Act No. 496 as amended by Sec. 52 of P.D. No. 1529.

[18] *Guerrero v. Court of Appeals, supra.*

Supreme Court E-Library

respondents have in their favor the law that protects holders of title under the Torrens System of land registration. As this Court so eloquently pronounced in 1915:

"Once a title is registered, the owner may rest secure, without the necessity of waiting in the portals of the court, or sitting in the *'mirador de su casa,'* to avoid the possibility of losing his land."[19]

WHEREFORE, the instant petition for review on *certiorari* is hereby *DENIED* for lack of merit. The decision and the resolution appealed from in CA-G.R. CV No. 30033 dated October 23, 1992 and July 1, 1993, respectively, are *AFFIRMED*.

Costs against petitioners.

SO ORDERED.

Vitug, Panganiban, Purisima, and *Gonzaga-Reyes, JJ.*, concur.

SECOND DIVISION

[Adm. Case CBD No. 190. February 4, 1999]

CORAZON T. REONTOY, *complainant, vs.* **ATTY. LIBERATO R. IBADLIT,** *respondent.*

SYNOPSIS

Respondent was suspended from the practice of law for one (1) year for failing to appeal within the reglementary period the decision rendered against his client, herein complainant, in his belief that appeal thereon would be futile. He now moves for its reconsideration claiming that he believed in good faith that his

---

[19] *Legarda v. Saleeby*, 31 Phil. 590, 593 (1915), cited in *Umbay v. Alecha*, *supra*, at p. 106.