Supreme Court E-Library

THIRD DIVISION

[G.R. No. 161419. August 25, 2009]

EUGENIO ENCINARES, *petitioner, vs.* **DOMINGA ACHERO,** *respondent.*

SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; APPEALS; PETITION FOR REVIEW ON *CERTIORARI*; THE SUPREME COURT HAS AUTHORITY TO REVIEW AND, IN PROPER CASES, REVERSE THE FACTUAL FINDINGS OF LOWER COURTS WHEN THE FINDINGS OF FACT OF THE TRIAL COURT ARE IN CONFLICT WITH THOSE OF THE APPELLATE COURT.— While factual issues are not within the province of this Court, as it is not a trier of facts and is not required to examine or contrast the oral and documentary evidence *de novo*, this Court has the authority to review and, in proper cases, reverse the factual findings of lower courts when the findings of fact of the trial court are in conflict with those of the appellate court. In this light, our review of the records of this case is justified.

2. CIVIL LAW; LAND TITLES AND DEEDS; LAND REGISTRATION OF PUBLIC LANDS; TORRENS SYSTEM; FREE PATENT; QUALIFICATIONS OF APPLICANT.— A Free Patent may be issued where the applicant is a natural-born citizen of the Philippines; is not the owner of more than twelve (12) hectares of land; has continuously occupied and cultivated, either by himself or through his predecessors-in-interest, a tract or tracts of agricultural public land subject to disposition, for at least 30 years prior to the effectivity of Republic Act No. 6940; and has paid the real taxes thereon while the same has not been occupied by any other person.

3. ID.; ID.; ID.; ID.; ID.; INDEFEASIBILITY OF TORRENS TITLE ISSUED PURSUANT TO THE PATENT EXCEPT WHEN THERE IS FRAUD.— Once a patent is registered and the corresponding certificate of title is issued, the land covered thereby ceases to be part of public domain, becomes private property, and the Torrens Title issued pursuant to the patent becomes indefeasible upon the expiration of one year from the date of such issuance.

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However, a title emanating from a free patent which was secured through fraud does not become indefeasible, precisely because the patent from whence the title sprung is itself void and of no effect whatsoever.

4. ID.; ID.; ID.; ID.; ID.; KINDS OF FRAUD; ELUCIDATED.— x x x [O]ur ruling in *Republic v. Guerrero*, is instructive: Fraud is of two kinds: actual or constructive. **Actual or positive fraud proceeds from an intentional deception practiced by means of the misrepresentation or concealment of a material fact**. Constructive fraud is construed as a fraud because of its detrimental effect upon public interests and public or private confidence, even though the act is not done with an actual design to commit positive fraud or injury upon other persons. Fraud may also be either extrinsic or intrinsic. Fraud is regarded as intrinsic where the fraudulent acts pertain to an issue involved in the original action, or where the acts constituting the fraud were or could have been litigated therein. **The fraud is extrinsic if it is employed to deprive parties of their day in court and thus prevent them from asserting their right to the property registered in the name of the applicant**. The distinctions assume significance because **only actual and extrinsic fraud had been accepted and is contemplated by the law as a ground to review or reopen a decree of registration**. Thus, relief is granted to a party deprived of his interest in land where the fraud consists in a deliberate misrepresentation that the lots are not contested when in fact they are; or in willfully misrepresenting that there are no other claims; or in deliberately failing to notify the party entitled to notice; or in inducing him not to oppose an application; or in misrepresenting about the identity of the lot to the true owner by the applicant causing the former to withdraw his application. In all these examples, the overriding consideration is that the fraudulent scheme of the prevailing litigant prevented a party from having his day in court or from presenting his case. The fraud, therefore, is one that affects and goes into the jurisdiction of the court. We have repeatedly held that relief on the ground of fraud will not be granted where the alleged fraud goes into the merits of the case, is intrinsic and not collateral, and has been controverted and decided. Thus, we have underscored the denial of relief where it appears that the fraud consisted in the presentation at the trial of a supposed forged document, or a false and perjured testimony, or in basing

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the judgment on a fraudulent compromise agreement, or in the alleged fraudulent acts or omissions of the counsel which prevented the petitioner from properly presenting the case.

5. ID.; ID.; ID.; ID.; ID.; ACTUAL AND EXTRINSIC FRAUD, ABSENT IN CASE AT BAR.— No actual and extrinsic fraud existed in this case; at least, no convincing proof of such fraud was adduced. Other than his bare allegations, petitioner failed to prove that there was fraud in the application, processing and grant of the Free Patent, as well as in the issuance of OCT No. P-23505. Neither was it proven that respondent actually took part in the alleged fraud. We agree with the judicious findings of the CA, to wit: It must be mentioned though that the records of the case do not show that there has been any irregularity in the issuance of the Free Patent or the OCT for that matter, as, despite the posting of the notice of appellant's application for Free Patent, the appellee filed his opposition/ protest (*Exhibit "O"*, Record[s], p. 31) thereto only after the same had already been issued in favor of the appellant. The fact that appellee is in possession of several tax declarations and deeds of sale over the property, the earliest of which was in the year 1951, does not in any way refute appellant's allegation in her application that she inherited the property and that her predecessor-in-interest possessed the property even before the Japanese occupation. Moreover, the evidence also show that the Bureau of Lands conducted an investigation (*Investigation Report, Exhibit "9"*, Record[s], p. 195) of the application and found that the appellant was entitled to the parcel of land she was applying for.

6. ID.; ID.; ID.; ID.; TAX DECLARATIONS AND TAX RECEIPTS DO NOT CONCLUSIVELY PROVE OWNERSHIP; CASE AT BAR.— Petitioner's heavy reliance on the tax declarations in his name and in the names of his predecessors-in-interest is unavailing. We hold that while it is true that tax declarations and tax receipts are good *indicia* of possession in the concept of an owner, the same must be accompanied by possession for a period sufficient for acquisitive prescription to set in. By themselves, tax declarations and tax receipts do not conclusively prove ownership. It was established that respondent was clearly in possession of the subject property. Thus, notwithstanding the existence of the tax declarations issued in favor of petitioner, it was not refuted that respondent and her successors were

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and are still in actual possession and cultivation of the subject property, and, in fact, the respondent also declared in her name the subject property for taxation purposes. These circumstances further boost respondent's claim that, from the start, she believed that the subject property was exclusively hers.

7. ID.; TORRENS SYSTEM; SYSTEM OF REGISTRATION OF TITLES TO LANDS; PURPOSE.— We reiterate our recent ruling in *Rabaja Ranch Development Corporation v. AFP Retirement and Separation Benefits System*, to wit: The Torrens system is not a mode of acquiring titles to lands; it is merely a system of registration of titles to lands, x x x justice and equity demand that the titleholder should not be made to bear the unfavorable effect of the mistake or negligence of the State's agents, in the absence of proof of his complicity in a fraud or of manifest damage to third persons. The real purpose of the Torrens system is to quiet title to land and put a stop forever to any question as to the legality of the title, except claims that were noted in the certificate at the time of the registration or that may arise subsequent thereto. Otherwise, the integrity of the Torrens system shall forever be sullied by the ineptitude and inefficiency of land registration officials, who are ordinarily presumed to have regularly performed their duties. The general rule that the direct result of a previous void contract cannot be valid[, is inapplicable] in this case as it will directly contravene the Torrens system of registration. Where innocent third persons, relying on the correctness of the certificate of title thus issued, acquire rights over the property, this Court cannot disregard such rights and order the cancellation of the certificate. The effect of such outright cancellation will be to impair public confidence in the certificate of title. The sanctity of the Torrens system must be preserved; otherwise, everyone dealing with the property registered under the system will have to inquire in every instance as to whether the title had been regularly or irregularly issued, contrary to the evident purpose of the law. Every person dealing with the registered land may safely rely on the correctness of the certificate of title issued therefor, and the law will, in no way, oblige him to go behind the certificate to determine the condition of the property.

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APPEARANCES OF COUNSEL

Public Attorney's Office for petitioner.
Gil S. Gojol for respondent.

D E C I S I O N

NACHURA, *J.*:

Before this Court is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Civil Procedure, seeking the reversal of the Court of Appeals (CA) Decision[2] dated April 28, 2003 which reversed and set aside the Decision[3] dated January 20, 2000 of the Regional Trial Court (RTC) of Sorsogon, Sorsogon, Branch 52.

The Facts

On July 13, 1989, petitioner Eugenio Encinares (petitioner) filed a Complaint[4] for Quieting of Title and Reconveyance against respondent Dominga Achero[5] (respondent). Petitioner alleged that he bought several parcels of land from Roger U. Lim as evidenced by a Deed of Absolute Sale of Real Properties[6] dated April 9, 1980. Among these was the subject property, a parcel of land dedicated to *abaca* production, containing 16,826 square meters, known as Lot No. 1623, and situated in Sitio Maricot, *Barangay* Buraburan, Juban, Sorsogon (subject property). He, however, discovered that, sometime in June 1987, respondent

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[1] *Rollo*, pp. 9-25.

[2] Particularly docketed as CA-G.R. CV No. 67371, penned by Associate Justice Mercedes Gozo-Dadole, with Associate Justices Conrado M. Vasquez, Jr. (now Presiding Justice) and Rosmari D. Carandang, concurring; *rollo*, pp. 78-90.

[3] *Rollo*, pp. 55-60.

[4] Records, pp. 1-2.

[5] Also referred to as Dominga Hachero in other pleadings and documents.

[6] Records, pp. 17-18.

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was able to register the said property and cause it to be titled under the Free Patent System.

Petitioner asseverated that he is the owner and actual possessor of the subject property which is covered by Tax Declaration No. 07132. He claimed that, for more than thirty (30) years, he had been in actual, continuous, adverse, and open possession in the concept of an owner of the subject property, tacking the possession of his predecessors-in-interest. However, sometime in June 1987, the respondent, by means of misrepresentation, fraud, deceit, and machination, caused one-half portion of the subject property to be titled in her name under the Free Patent System. Petitioner alleged that, despite the fact that respondent's application has no legal basis as she is not the owner and actual possessor of the subject property, a free patent was issued in her favor and Original Certificate of Title (OCT) No. P-23505, covering an area of 23,271 square meters, was issued in her name. Thus, petitioner postulated that, with the inclusion of one-half portion of his property, the issuance of said title casts doubt on his ownership over the same. Moreover, petitioner demanded that respondent execute in his favor a deed of reconveyance involving the portion of his land, which is now covered by respondent's title, but the latter refused, compelling him to file this case. Petitioner, therefore, prayed that he be declared the owner and actual possessor of the subject property and that respondent be ordered to execute a deed of reconveyance in his favor.

In her Answer[7] dated September 7, 1989, respondent denied petitioner's material allegations and, by way of affirmative defense, averred that the complaint constituted an indirect and collateral attack on her title, which is not allowed, and rendered the complaint defective, thereby requiring its dismissal. Respondent alleged that OCT No. P-23505 was issued under her name and the property covered by the OCT is exclusively hers and does not include petitioner's property.

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[7] *Id.* at 6-7.

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Upon joint motion of the parties, the RTC issued an Order[8] dated March 9, 1990, directing a duly authorized representative/ surveyor of the Bureau of Lands to conduct a relocation survey on the two (2) parcels of land involved in the case, namely: Lot No. 1623 and the lot covered by OCT No. P-23505.

Subsequently, Engineer Eduardo P. Sabater submitted his Commissioner's Report[9] (Report) on August 3, 1993. The Report stated that the limits of the common boundaries of the parties were defined by large trees and stones marked by "X." The Report also stated that the actual area as claimed by petitioner contained 19,290 square meters, while that of respondent contained 3,981 square meters.

On September 21, 1994, petitioner filed a Motion for Leave to Amend Complaint,[10] alleging that there were some mistaken and inadequate allegations in the original complaint, and that the amendments to be made would not substantially change the cause of action in the complaint. Because no objection was interposed by respondent's counsel, the Motion was granted by the RTC in an Order[11] dated October 18, 1994.

On October 20, 1994, petitioner filed the Amended Complaint,[12] inserting the word "ENTIRE" in paragraph four (4) thereof. Thus, petitioner averred that respondent, through fraud, caused the ENTIRE area of the above-described land to be titled under the Free Patent System. For her part, respondent manifested that she would no longer file an answer to the Amended Complaint. Thereafter, trial on the merits ensued. In January 1996,

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[8] *Id.* at 39-40.

[9] *Id.* at 56.

[10] *Id.* at 92.

[11] *Id.* at 94.

[12] *Id.* at 95-97.

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respondent passed away.[13] Respondent was duly substituted by her son, Vicente Achero (Vicente).[14]

The RTC's Ruling

On January 20, 2000, the RTC rendered a Decision in favor of petitioner, declaring him as the absolute owner of Lot 1623-B, containing an area of 19,290 square meters. The RTC declared that while Section 32[15] of Presidential Decree (P.D.) No. 1529 (The Property Registration Decree) provides that a decree of registration and certificate of title become incontrovertible after the lapse of one year, the aggrieved party whose land has been registered through fraud in the name of another person may file an ordinary civil action for reconveyance of his property, provided that the same had not been transferred to innocent purchasers for value. Thus, the RTC disposed of the case in this wise:

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[13] TSN, July 29, 1998, p. 11.

[14] Also referred to as "Vicente Hachero" in other pleadings and documents.

[15] SECTION 32. *Review of decree of registration; Innocent purchaser for value*. — The decree of registration shall not be reopened or revised by reason of absence, minority, or other disability of any person adversely affected thereby, nor by any proceeding in any court for reversing judgment, subject, however, to the right of any person, including the government and the branches thereof, deprived of land or of any estate or interest therein by such adjudication or confirmation of title obtained by actual fraud, to file in the proper Court of First Instance a petition for reopening and review of the decree of registration not later than one year from and after the date of the entry of such decree of registration, but in no case shall such petition be entertained by the court where an innocent purchaser for value has acquired the land or an interest therein, whose rights may be prejudiced. Whenever the phrase "innocent purchaser for value" or an equivalent phrase occurs in this Decree, it shall be deemed to include an innocent lessee, mortgagee, or other encumbrancer for value.

Upon the expiration of said period of one year, the decree of registration and the certificate of title issued shall become incontrovertible. Any person aggrieved by such decree of registration in any case may pursue his remedy by action for damages against the applicant or any other persons responsible for the fraud.

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WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff and against the defendant, to wit:

1. Declaring plaintiff Eugenio Encinares the absolute owner of Lot 1623-B containing an area of 19,290 sq. m. which is a portion included in OCT No. P-23505 in the name of Dominga Achero of the Registry of Deeds of Sorsogon;

2. Declaring OCT No. P-23505 covering Lot 1623 with an area of 19,290 sq. m. in the name of the defendant Dominga Achero as null and void[;]

3. Ordering the defendant Dominga Achero and/or Vicente Achero to reconvey that portion found in the Relocation Survey Report marked as Exh. "R" and denominated as Lot 1623-B as surveyed for Eugenio Encinares and Dominga Achero[;]

4. Ordering the Register of Deeds of Sorsogon to make an annotation on the Certificate of Title No. P-23505 covering the land in question as the same was fraudulently procured[;]

5. Dismissing the counterclaim of the defendants[;]

[6.] Ordering the defendant to pay the costs.

SO ORDERED.[16]

Aggrieved, respondent appealed to the CA.[17]

The CA's Ruling

On April 28, 2003, the CA reversed and set aside the RTC's ruling, upheld the validity of OCT No. P-23505, and dismissed the complaint for quieting of title and reconveyance filed by petitioner. The CA held that the RTC erred in declaring OCT No. P-23505 as null and void because in an action for reconveyance, the decree of registration is respected as incontrovertible. Moreover, the CA held that petitioner failed to prove by clear and convincing evidence his title to the subject property and the fact of fraud. Petitioner's evidence, consisting

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[16] *Rollo*, p. 60.

[17] Records, p. 212.

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of tax declarations and deeds of sale, acknowledged that the subject property had not been registered. Likewise, the CA noted that petitioner's evidence showed that the possession of his predecessors-in-interest started only sometime in 1951; thus, petitioner could be presumed to have acquired a title pursuant to Section 48(b)[18] of Commonwealth Act 141 (The Public Land Act) as amended by P.D. No. 1073. The CA opined that it was erroneous for the RTC to award 19,290 square meters to petitioner when the Deed of Absolute Sale of Real Properties, from which he allegedly derived his rights, stated that the lot sold to him consisted only of 16,826 square meters. Lastly, the CA found no irregularity in the issuance of the Free Patent and OCT No. P-23505.

Undaunted, petitioner filed a Motion for Reconsideration,[19] which the CA, however, denied in its Resolution[20] dated December 19, 2003. Hence this Petition, raising the following issues:

I.

WHETHER THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN REVERSING AND SETTING ASIDE THE DECISION OF THE REGIONAL TRIAL COURT.

II.

WHETHER THE PETITIONER HAS THE RIGHT TO SEEK THE RECONVEYANCE OF THE SUBJECT LAND WHICH WAS WRONGFULLY REGISTERED IN THE NAME OF THE RESPONDENT.[21]

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[18] (b) Those who by themselves or through their predecessors-in-interest **have been in open, continuous, exclusive and notorious possession and occupation of agricultural lands of the public domain, under a bona fide claim of acquisition or ownership, since June 12, 1945, or earlier, immediately preceding the filing of the application for confirmation of title**, except when prevented by wars or *force majeure*. Those shall be conclusively presumed to have performed all the conditions essential to a Government grant and shall be entitled to a certificate of title under the provisions of this chapter. (Emphasis supplied.)

[19] CA *rollo*, pp. 111-115.

[20] *Id.* at 124.

[21] *Rollo*, p. 18.

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Petitioner claims that the subject property was sold by Simeon Achero (Simeon),[22] eldest son of Eustaqio Achero[23] (Eustaqio), to Cecilia Grajo who, in turn, sold the same to Cipriano Bardilo.[24] Subsequently, Cipriano Bardilo sold the subject property to Pedro Guevarra,[25] who then sold the same to Roger Lim,[26] from whom petitioner bought the subject property in 1980. Petitioner asserts that he has been in actual, continuous, adverse, and open possession in the concept of an owner thereof for more than thirty (30) years when tacked with the length of possession of his predecessors-in-interest; and that he has introduced some improvements on the subject property and has been enjoying its produce. Petitioner argues that contrary to the CA's findings, he was able to prove by preponderance of evidence that he is the true and actual owner of the subject property; that he has equitable title thereto; and that there was fraud in the acquisition of the Free Patent. Petitioner also argues that, as pointed out by the RTC, the tax declarations[27] of petitioner and his predecessors-in-interest show that, in fact, petitioner, as well as his predecessors-in-interest, has been in actual possession of the subject property since 1951 or even prior thereto; that the factual findings of the RTC in this case should not have been disturbed by the CA, as the former's findings were clearly based on evidence; and that the law protects only holders of title in good faith and does not permit its provisions to be used as a shield for the commission of fraud or for one's enrichment at the expense of another.[28]

On the other hand, respondent avers that the subject property had been originally claimed, occupied and cultivated since 1928

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[22] Also referred to as "Simeon Hachero" in other pleadings and documents.

[23] Also referred to as "Eustaquio Hachero," "Eustaqui Achero" or "Eustaqui Hachero" in other pleadings and documents.

[24] Records, p. 21.

[25] *Id.* at 20.

[26] *Id.* at 19.

[27] *Id.* at 22-30.

[28] *Rollo*, pp.118-129.

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by Eustaqio, father of Simeon and father-in-law of respondent. Before Eustaqio died in 1942, he gave the subject property to respondent, as evidenced by the Joint Affidavit[29] of Dalmacio Venus and Elias Aurelio. Respondent continued the possession, occupation and cultivation of the subject property in the concept of an owner up to the present. On October 1, 1986, respondent executed a Deed of Ratification and Confirmation of Ownership.[30] Documents were submitted to the Bureau of Lands, which conducted an ocular inspection and relocation survey and issued a Final Investigation Report.[31] Finding respondent's application for a Free Patent to be proper in form and substance, and in accordance with law, the same was granted per Order: Approval of Applications and Issuance of Patent.[32] Subsequently, OCT No. P-23505, covering the subject property with a total area of 23,271 square meters, was issued in favor of respondent. Respondent manifested that she was unlettered, and that her only preoccupation was working on the land like other ordinary tillers. As such, in the absence of evidence, petitioner could not validly claim that respondent employed fraud in the application and issuance of a Free Patent, in the same way that no fraud attended the issuance of OCT No. P-23505. Respondent relied on the presumption of regularity in the performance of official functions of the personnel of the Bureau of Lands.[33]

Simply put, the main issue is who, between petitioner and respondent, has a better right over the subject property.

Our Ruling

The instant Petition is bereft of merit.

While factual issues are not within the province of this Court, as it is not a trier of facts and is not required to examine or

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[29] Records, p. 190.

[30] *Id.* at 188.

[31] *Id.* at 195.

[32] *Id.* at 194.

[33] *Rollo*, pp. 131-140.

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contrast the oral and documentary evidence *de novo*, this Court has the authority to review and, in proper cases, reverse the factual findings of lower courts when the findings of fact of the trial court are in conflict with those of the appellate court.[34] In this light, our review of the records of this case is justified.

In essence, petitioner seeks relief before this Court, on the contention that the registered Free Patent from which respondent derived her title had been issued through fraud.

We reject petitioner's contention.

A Free Patent may be issued where the applicant is a natural-born citizen of the Philippines; is not the owner of more than twelve (12) hectares of land; has continuously occupied and cultivated, either by himself or through his predecessors-in-interest, a tract or tracts of agricultural public land subject to disposition, for at least 30 years prior to the effectivity of Republic Act No. 6940; and has paid the real taxes thereon while the same has not been occupied by any other person.[35]

Once a patent is registered and the corresponding certificate of title is issued, the land covered thereby ceases to be part of public domain, becomes private property, and the Torrens Title issued pursuant to the patent becomes indefeasible upon the expiration of one year from the date of such issuance. However, a title emanating from a free patent which was secured through fraud does not become indefeasible, precisely because the patent from whence the title sprung is itself void and of no effect whatsoever.[36]

On this point, our ruling in *Republic v. Guerrero*,[37] is instructive:

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[34] *Tan v. Court of Appeals*, 421 Phil. 134, 141-142 (2001).

[35] *Republic v. Court of Appeals*, 406 Phil. 597, 606 (2001).

[36] *Heirs of Carlos Alcaraz v. Republic*, G.R. No. 131667, July 28, 2005, 464 SCRA 280, 291. (Citations omitted.)

[37] G.R. No. 133168, March 28, 2006, 485 SCRA 424.

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Fraud is of two kinds: actual or constructive. **Actual or positive fraud proceeds from an intentional deception practiced by means of the misrepresentation or concealment of a material fact**. Constructive fraud is construed as a fraud because of its detrimental effect upon public interests and public or private confidence, even though the act is not done with an actual design to commit positive fraud or injury upon other persons.

Fraud may also be either extrinsic or intrinsic. Fraud is regarded as intrinsic where the fraudulent acts pertain to an issue involved in the original action, or where the acts constituting the fraud were or could have been litigated therein. **The fraud is extrinsic if it is employed to deprive parties of their day in court and thus prevent them from asserting their right to the property registered in the name of the applicant**.

The distinctions assume significance because **only actual and extrinsic fraud had been accepted and is contemplated by the law as a ground to review or reopen a decree of registration**. Thus, relief is granted to a party deprived of his interest in land where the fraud consists in a deliberate misrepresentation that the lots are not contested when in fact they are; or in willfully misrepresenting that there are no other claims; or in deliberately failing to notify the party entitled to notice; or in inducing him not to oppose an application; or in misrepresenting about the identity of the lot to the true owner by the applicant causing the former to withdraw his application. In all these examples, the overriding consideration is that the fraudulent scheme of the prevailing litigant prevented a party from having his day in court or from presenting his case. The fraud, therefore, is one that affects and goes into the jurisdiction of the court.

We have repeatedly held that relief on the ground of fraud will not be granted where the alleged fraud goes into the merits of the case, is intrinsic and not collateral, and has been controverted and decided. Thus, we have underscored the denial of relief where it appears that the fraud consisted in the presentation at the trial of a supposed forged document, or a false and perjured testimony, or in basing the judgment on a fraudulent compromise agreement, or in the alleged fraudulent acts or omissions of the counsel which prevented the petitioner from properly presenting the case.[38]

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[38] *Id.* at 436-438. (Emphasis supplied.)

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No actual and extrinsic fraud existed in this case; at least, no convincing proof of such fraud was adduced. Other than his bare allegations, petitioner failed to prove that there was fraud in the application, processing and grant of the Free Patent, as well as in the issuance of OCT No. P-23505. Neither was it proven that respondent actually took part in the alleged fraud. We agree with the judicious findings of the CA, to wit:

> It must be mentioned though that the records of the case do not show that there has been any irregularity in the issuance of the Free Patent or the OCT for that matter, as, despite the posting of the notice of appellant's application for Free Patent, the appellee filed his opposition/protest (*Exhibit "O"*, Record[s], p. 31) thereto only after the same had already been issued in favor (sic) the appellant. The fact that appellee is in possession of several tax declarations and deeds of sale over the property, the earliest of which was in the year 1951, does not in any way refute appellant's allegation in her application that she inherited the property and that her predecessor-in-interest possessed the property even before the Japanese occupation. Moreover, the evidence also show that the Bureau of Lands conducted an investigation (*Investigation Report, Exhibit "9"*, Record[s], p. 195) of the application and found that the appellant was entitled to the parcel of land she was applying for.[39]

Petitioner's heavy reliance on the tax declarations in his name and in the names of his predecessors-in-interest is unavailing. We hold that while it is true that tax declarations and tax receipts are good *indicia* of possession in the concept of an owner, the same must be accompanied by possession for a period sufficient for acquisitive prescription to set in. By themselves, tax declarations and tax receipts do not conclusively prove ownership.[40]

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[39] *Supra* note 2, at 89.

[40] *Espino v. Vicente*, G.R. No. 168396, June 22, 2006, 492 SCRA 330, 341, citing *Heirs of Clemente Ermac v. Heirs of Vicente Ermac*, 403 SCRA 291, 299 (2003).

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It was established that respondent was clearly in possession of the subject property.[41] Thus, notwithstanding the existence of the tax declarations issued in favor of petitioner, it was not refuted that respondent and her successors were and are still in actual possession and cultivation of the subject property, and, in fact, the respondent also declared in her name the subject property for taxation purposes. These circumstances further boost respondent's claim that, from the start, she believed that the subject property was exclusively hers.

We reiterate our recent ruling in *Rabaja Ranch Development Corporation v. AFP Retirement and Separation Benefits System*,[42] to wit:

> The Torrens system is not a mode of acquiring titles to lands; it is merely a system of registration of titles to lands, x x x justice and equity demand that the titleholder should not be made to bear the unfavorable effect of the mistake or negligence of the State's agents, in the absence of proof of his complicity in a fraud or of manifest damage to third persons. The real purpose of the Torrens system is to quiet title to land and put a stop forever to any question as to the legality of the title, except claims that were noted in the certificate at the time of the registration or that may arise subsequent thereto. Otherwise, the integrity of the Torrens system shall forever be sullied by the ineptitude and inefficiency of land registration officials, who are ordinarily presumed to have regularly performed their duties.
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> The general rule that the direct result of a previous void contract cannot be valid[, is inapplicable] in this case as it will directly contravene the Torrens system of registration. Where innocent third persons, relying on the correctness of the certificate of title thus issued, acquire rights over the property, this Court cannot disregard such rights and order the cancellation of the certificate. The effect of such outright cancellation will be to impair public confidence in the certificate of title. The sanctity of the Torrens system must be preserved; otherwise, everyone dealing with the property registered under the system will have to inquire in every instance as to whether the title had been regularly or irregularly issued, contrary to the

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[41] TSN, November 24, 1998, p. 25; TSN, July 29, 1998, p. 4; TSN, May 20, 1998, p. 3; TSN, June 25, 1997, pp. 4-5.

[42] G.R. No. 177181, July 7, 2009. (Citations omitted.)

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evident purpose of the law. Every person dealing with the registered land may safely rely on the correctness of the certificate of title issued therefor, and the law will, in no way, oblige him to go behind the certificate to determine the condition of the property.

All told, we find no reversible error which will justify our having to disturb, much less, reverse the assailed CA Decision.

WHEREFORE, the instant Petition is *DENIED* and the assailed Court of Appeals Decision is *AFFIRMED*. Costs against petitioner.

SO ORDERED.

Carpio Morales,[*] *Chico-Nazario (Acting Chairperson),*[**] *Velasco, Jr.,* and *Peralta, JJ.,* concur.

THIRD DIVISION

[G.R. No. 167304. August 25, 2009]

PEOPLE OF THE PHILIPPINES, *petitioner, vs.* **SANDIGANBAYAN (THIRD DIVISION) and VICTORIA AMANTE,** *respondents.*

SYLLABUS

1. REMEDIAL LAW; CRIMINAL PROCEDURE; JURISDICTION; DETERMINED AT THE TIME OF THE INSTITUTION OF THE ACTION; EXCEPTION; CASE AT BAR.— The applicable law in this case is Section 4 of P.D. No. 1606, as amended by Section 2 of R.A. No. 7975 which took effect on May 16, 1995,

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[*] Additional member in lieu of Associate Justice Consuelo Ynares-Santiago per Special Order No. 679 dated August 3, 2009.

[**] In lieu of Associate Justice Consuelo Ynares-Santiago per Special Order No. 678 dated August 3, 2009.