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FIRST DIVISION

[G.R. No. 188773. September 10, 2014]

HEIRS OF VALENTIN BASBAS, ANSELMA B. ENDRINAL, GERTRUDES BASBAS, RUFINA BASBAS, CEFERINA B. CARTECIANO, ANACLETO BASBAS, ARSENIA BASBAS, ANASTACIO BASBAS, BEDACIO BASBAS, TEODOCIA B. OCAMPO, SEGUNDO C. BASBAS, MARIA B. RAMOS AND EUGENIO BASBAS IN REPRESENTATION OF PEDRO BASBAS; HERINO T. BASBAS AND NESTOR T. BASBAS IN REPRESENTATION OF LUCAS BASBAS; ADELAIDA B. FLORENTINO, RODRIGO BASBAS, FELIX BASBAS, JR., TEODULO BASBAS, ANDRESITO BASBAS, LARRY BASBAS AND JOEY BASBAS IN REPRESENTATION OF FELIX BASBAS, SR., VICTOR BEATO, ALIPIO BEATO, EUTIQUIO BEATO, JULIANA B. DIAZ, PABLO BEATO AND ALEJANDRO BEATO IN REPRESENTATION OF REMIGIA B. BEATO, AS REPRESENTED BY RODRIGO BASBAS, *petitioners, vs.* **RICARDO BASBAS** as represented by **EUGENIO BASBAS,** *respondents.*

SYLLABUS

1. CIVIL LAW; FAMILY CODE; PATERNITY AND FILIATION; WHERE THE LONG-POSSESSED STATUS AS A LEGITIMATE CHILD HAS ALREADY BEEN SHOWN IN AN ACTION FOR ANNULMENT OF TITLE AND RECONVEYANCE, THERE IS NO NEED TO RE-DECLARE HIS STATUS AS AN HEIR IN A SEPARATE SPECIAL PROCEEDING.— We cannot subscribe to the appellate court's ruling unqualifiedly applying *Heirs of Yaptinchay*. Mistakenly, the Court of Appeals glosses over facts, not controverted by Crispiniano and respondent Ricardo: (1) Valentin was a legitimate child of Severo and Ana Rivera; and (2) Petitioners are themselves legitimate descendants of

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Valentin. Not only is the petitioners' heirship to Severo uncontroverted. The status of Valentin as a compulsory heir of Severo and of petitioners' statuses as heirs of Valentin and Severo are stipulated facts agreed to by Crispiniano and respondent Ricardo x x x In all, Valentin's long-possessed status as a legitimate child and thus, heir of Severo, need no longer be the subject of a special proceeding for declaration of heirship as envisioned by the Court of Appeals. There is no need to re-declare his status as an heir of Severo. x x x Thus, we find no need for a separate proceeding for a declaration of the heirs of Severo in order to resolve petitioners' Action for Annulment of Title and Reconveyance of the subject property.

2. ID.; SUCCESSION; THE COURT DECLARED THAT PETITIONERS' RIGHTS TO THE SUCCESSION VESTED FROM THE MOMENT OF DECEDENT'S DEATH AND DIRECTED THEM TO TAKE IMMEDIATE APPROPRIATE ACTION FOR TITLING OF THE PROPERTY IN THEIR NAME TO AVOID FRAUDULENT CLAIM.— We add that Valentin's rights to the succession vested from the moment of death of the decedent Severo. In turn, petitioners', as Heirs of Valentin, who is an uncontested heir of decedent Severo, rights to the succession vested from the moment of Valentin's death. As such, they own Lot No. 39, undisputedly titled in Severo's name and forming part of Severo's estate, and are entitled to the titling thereof in their names. In this regard, we note that the Court of Appeals did not reverse the trials courts' factual finding on Cripiniano's and Ricardo's fraudulent titling of Lot No. 39 in their names. The evidence presented by Crispiniano and Ricardo highlight the fraudulence of their claim: 1. Title to Lot No. 39 is not in their names, neither is it titled in the name of their predecessors-in-interest, Nicolas and Felomino Basbas; 2. Crispiniano and Ricardo are not the only heirs of Severo, if they are even heirs to begin with. One final note. Severo, as well as Valentin, have been long dead. It is well-nigh that title to the subject property, Lot No. 39 of the Santa Rosa Detached Estate, appear in the names of the petitioners, Heirs of Valentin, herein declared heirs of Severo, or their successors-in-interest, to finally settle title thereto and prevent occurrences of fraudulent titling thereof. Hence, petitioners, Heirs of Valentin and their successors-in-interest, are directed to take the appropriate action for titling of the subject property.

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APPEARANCES OF COUNSEL

Pura Ferrer-Calleja and Napoleon C. Banzuela, Jr. for petitioners.

Public Attorney's Office for respondent.

D E C I S I O N

PEREZ, *J.*:

A claim of status as heir of a decedent must always be substantially supported by evidence as required under our law. The resolution of a case, in this instance, an action for annulment of title and reconveyance of real property, cannot be further stalled and waylaid by a mere assertion of a party of an ostensible conflicting claims of heirship of the common decedent. Not all rights to property and incidents thereof, such as titling, ought to be preceded by a declaration of heirship, albeit supposedly traced to a single decedent and original titleholder.

Before us is a petition for review on *certiorari* under Rule 45 of the Rules of Court assailing the Decision of the Court of Appeals in CA-G.R. SP No. 99853[1] which reversed and set aside the rulings, after trial and then on appeal, of the Municipal Trial Court (MTC) and Regional Trial Court (RTC), Sta. Rosa, Laguna in Civil Case No. 1913[2] and Civil Case No. B-6334,[3] respectively. The trial courts annulled TCT No. 294295 issued in the name of Crispiniano Talampas Basbas (Crispiniano) and herein respondent Ricardo Talampas Basbas (Ricardo), covering Lot No. 39 of the Santa Rosa Detached Estate, the subject property, and originally titled to the decedent, Severo Basbas (Severo) under Certificate of Title No. RT-1684 (N.A.).

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[1] Penned by Associate Justice Pampio A. Abarintos with Associate Justices Edgardo F. Sundiam and Ramon M. Bato, Jr., concurring. *Rollo*, pp. 54-67.

[2] *Id.* at 78-89.

[3] *Id.* at 129-135.

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Crispiniano and Ricardo and all their successors-in-interest were ordered to reconvey the subject property to petitioners.

Both parties, petitioners, Heirs of Valentin Basbas (Valentin), and respondent Ricardo trace their claim of ownership over herein subject property to Severo.

Petitioners filed an Action for Annulment of Title, Reconveyance with Damages against Crispiniano and respondent Ricardo seeking to: (1) annul Transfer Certificate of Title No. T-294295 issued in the names of Crispiniano and Ricardo covering the contested lot, and (2) recover possession of the subject property before the Municipal Trial Court, Santa Rosa, Laguna, docketed as Civil Case No. 1913.

Countering petitioners' allegations, Crispiniano and Ricardo denied petitioners' ownership over Lot No. 39 and contended that upon Severo's death, he was survived by two heirs, Valentin (grandfather of petitioners) and Nicolas Basbas (Nicolas) (paternal grandfather of Crispiniano and Ricardo) who evenly divided Severo's estate, comprising of two lots, herein subject property, Lot No. 39 of the Santa Rosa Detached Estate, and Lot No. 40, adjacent thereto, among them. Lot No. 40 was inherited by Valentin, while Lot No. 39 went to Nicolas.

The pertinent documents presented in evidence by both parties include:

(1) Certificate of Title No. RT-1684 (N.A.) in the name of Severo;
(2) Order of the Land Registration Court, Regional Trial Court, Biñan, Laguna dated 1 June 1989, granting the Petition for Reconstitution of Title covering Lot No. 39 filed by Crispiniano and Ricardo;
(3) TCT No. T-294295 covering Lot No. 39 issued in the names of Crispiniano and Ricardo; and
(4) Extra-Judicial Settlement of Estate of decedent Severo.

The undisputed facts uniformly found by all three lower courts, at the first instance, the MTC, the RTC, Branch 24, Biñan, Laguna, in the exercise of its appellate jurisdiction, and the Court of Appeals are:

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x x x Severo Basbas was married to Ana Rivera. Severo x x x died on July 14, 1911. They had a child named Valentin (Basbas). During Severo's lifetime, he acquired a parcel of land in Santa Rosa, Laguna otherwise known as Lot No. 39 of the Santa Rosa Detached Estate. Lot No. 39 is adjacent to Lot No. 40 of the Santa Rosa Detached Estate which lot was acquired, by purchase, by Valentin Basbas. Sometime in 1995, [herein petitioners Heirs of Valentin Basbas] discovered that [respondents] Crispiniano and Ricardo Basbas were able to secure for themselves Transfer Certificate of Title No. T-294295 over Lot No. 39 of the Santa Rosa Detached Estate. Sometime in 1987, [respondents], through Crispiniano Basbas, filed a Petition for Reconstitution of Title before the Regional Trial Court, Biñan, Laguna, docketed as LRC Case No. B-758, covering Lot No. 39 of the Santa Rosa Detached Estate. Subsequently thereafter, or on June 1, 1989, an Order was issued by the RTC granting the aforesaid petition. On the basis of said Order, the title covering Lot No. 39 was ordered reconstituted in the name of the heirs of Severo Basbas and Transfer Certificate of Title No. RT-1684 (N.A.) was issued. On November 13, 1993, [therein] defendants Crispiniano Basbas *y* Talampas and [respondent] Ricardo Basbas *y* Talampas executed an Extra-Judicial Settlement of Estate of deceased Severo Basbas x x x stating among others that the only heirs of Severo Basbas are Felomino Basbas and Melencio Casubha. On the basis of said Extra-Judicial Settlement x x x, the Registry of Deeds of Calamba, Laguna cancelled Transfer Certificate of Title No. RT-1684 and in lieu thereof Transfer Certificate of Title No. T-294295 was issued in the names of [therein] defendants Crispiniano Basbas and [respondent] Ricardo Basbas x x x. [Petitioners] then brought the matter to the Barangay but no settlement was reached. Hence, this instant action.[4]

Significantly, the Pre-Trial Order of the MTC, dated 2 September 1998, contained the following Stipulation of Facts:

STIPULATION OF FACTS

1. [Severo] Basbas is married to Ana Rivera.
2. Both Crispiniano Basbas and Ricardo Basbas bear the middle name Talampas.
3. [Petitioners] are direct descendants of Valentin Basbas, who is a son of [Severo] Basbas.

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[4] Records, pp. 519-520.

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4. The property at dispute was originally registered in [Severo's] name.[5]

After trial, where both parties presented evidence, the MTC ruled, thus:

WHEREFORE, judgment is hereby rendered in favor of [petitioners] and against defendants [including herein respondent Ricardo] as follows:

1) declaring TCT No. T-294295 in the name of the defendants [including herein respondent Ricardo] as NULL and VOID;
2) ordering the defendants [including herein respondent Ricardo] to reconvey to [petitioners] Lot No. 39 of the Santa Rosa Detached Estate, and to surrender possession thereof in favor of the [petitioners];
3) ordering the Register of Deeds of Calamba, Laguna to issue a new certificate of title covering said Lot No. 39 in favor of the heirs of Severo Basbas; and
4) ordering the defendants [including herein respondent Ricardo] and their successors-in-interest to pay [petitioners] the sum of Php 50,000.00 as and for attorney's fees.[6]

On appeal to the RTC by Crispiniano and Ricardo docketed as Civil Case No. B-6334, judgment of the MTC was affirmed *in toto*.

Insistent on their stance, Crispiniano and Ricardo appealed to the Court of Appeals.

In a subsequent turn of events, the appellate court reversed, applying our ruling in *Heirs of Yaptinchay v. Hon. del Rosario*,[7] and set aside the uniform rulings of the trial courts:

The court *a quo* erred in affirming the decision of the MTC, as the MTC had ruled on filiation and heirship, matters which fall within the jurisdiction of a probate court, which the MTC or RTC

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[5] *Id.* at 151.

[6] *Id.* at 527.

[7] 363 Phil. 393 (1999).

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of Sta. Rosa, Laguna were not designated to be. It is also proper that these particular matters be threshed out in a special proceeding.

In *Heirs of Guido and Isabel Yaptinchay v. Del Rosario*, it was ruled that it is decisively clear that the declaration of heirship can be made only in a special proceeding inasmuch as it involves the establishment of a status or right.

The case at bar is an action for annulment of title, reconveyance with damages, a civil action, whereas matters which involve the settlement and distribution of the estate of a deceased person as well as filiation and heirship partake of the nature of a special proceeding, which requires the application of specific rules as provided for in the Rules of Court. With both parties claiming to be the heirs of Severo Basbas, it is but proper to thresh out this issue in a special proceeding, since [Crispiniano and respondent Ricardo] seeks to establish his status as one of the heirs entitled to the property in dispute. Before the action for annulment of title, reconveyance with damages can be resolved, this Court opines that the matter of heirship should be adjudicated upon first. The trial court cannot make a declaration of heirship in the civil action for the reason that such a declaration can only be made in a special proceeding.

x x x x x x x x x

The MTC and the RTC, both acting in their general jurisdiction, are devoid of authority to render an adjudication and resolve the issue of annulment of title and reconveyance of the real property in favor of the respondents. We reiterate that the question of who are the heirs of Severo Basbas should be adjudged first in a probate court prior to the resolution of the action for annulment of title and reconveyance.

WHEREFORE, IN VIEW OF THE FOREGOING, the decision appealed from is hereby **REVERSED** and **SET ASIDE**.[8]

Hence, this appeal by *certiorari* of petitioners — Heirs of Valentin, raising the following issues:

I

WHETHER OR NOT THE COURT OF APPEALS SERIOUSLY ERRED IN REVERSING AND SETTING ASIDE THE DECISION

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[8] *Rollo*, pp. 63-66.

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OF THE REGIONAL TRIAL COURT BRANCH 24 OF BIÑAN, LAGUNA AFFIRMING THAT OF THE MUNICIPAL TRIAL COURT OF SANTA ROSA, LAGUNA'S DECISION FINDING FOR THE PETITIONERS.

II

WHETHER OR NOT THE COURT OF APPEALS SERIOUSLY ERRED IN APPLYING THE RULING IN HEIRS OF GUIDO AND ISABEL YAPTINCHAY VERSUS HON. ROY S. DEL ROSARIO, THAT PRIOR TO THE RESOLUTION OF THE ACTION FOR ANNULMENT OF TITLE AND RECONVEYANCE, THE DETERMINATION OF WHO THE HEIRS ARE SHOULD FIRST BE ADJUDGED IN A PROBATE COURT.

III

WHETHER OR NOT THE COURT OF APPEALS SERIOUSLY ERRED IN FAILING TO RENDER JUDGMENT BASED ON THE EVIDENCE PRESENTED RELATIVE TO THE ISSUES RAISED AND RULED UPON BY THE MUNICIPAL TRIAL COURT OF SANTA ROSA, LAGUNA AND THE REGIONAL TRIAL COURT OF BIÑAN, LAGUNA.[9]

In ruling in favor of petitioners, Heirs of Valentin, the trial courts found that petitioners fully established their filiation with the decedent Severo, the original titleholder of Lot No. 39 and from whom all parties trace their claim of ownership over the subject property. Oppositely, the trial courts found wanting, lacking documentary evidence, the different claims of heirship of Crispiniano and herein respondent Ricardo, through Severo's purported other son or nephew, Nicolas. The MTC, affirmed *in toto* by the RTC, declared, thus:

> [Petitioners] have fully established their true filiation with the late Severo Basbas from whom the subject property came from. Through their own evidence, testimonial and documentary, it was established that Severo Basbas was married to Ana Rivera. They had one (1) child named Valentin Basbas x x x. Valentin Basbas had no other brother nor sister. He (Valentin) was married to Irene Beato. Valentin bore four (4) children, namely: (1) Pedro

[9] *Id.* at 18-19.

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Basbas; (2) Lucas Basbas; (3) Feliz Basbas, Sr.; and (4) Remigia Basbas. x x x.

x x x x x x x x x

As shown, [petitioners] are now the great grandchildren of the late Severo Basbas who died in Santa Rosa, Laguna on July 5, 1911.

The defendants [including herein respondent Ricardo] on the other hand claim that they are also the legal heirs of the late Severo Basbas. Such a claim, however, was not supported by any document. x x x.

x x x x x x x x x

As correctly pointed out by [petitioners] that assuming, for the sake of argument, that Nicolas Basbas, predecessor of these defendants [including herein respondent Ricardo], was the son of Severo Basbas, then Nicolas Basbas must have been an illegitimate child of Severo Basbas, in which case his filiation should be first established before he can claim to be an heir. But this cannot be done anymore, simply because an action for recognition should have been made or brought during the lifetime of the presumed parents x x x. It could not even be applied under the exception of said law x x x, as no evidence was ever adduced to that effect. The only conclusion, therefore, is that Nicolas Basbas was neither a legitimate nor an illegitimate son of Severo Basbas, so that defendants [including herein respondent Ricardo] are not the legal heirs of the late Severo Basbas.

x x x [T]he defendants [including herein respondent Ricardo] are not the legal heirs of the late Severo Basbas. They (defendants) [including herein respondent Ricardo] claimed that they derived their title and ownership over Lot No. 39 in representation of Felomino Basbas, an alleged son of the late Severo Basbas; that Severo Basbas gave Lot No. 39 to Nicolas Basbas; and that Lot No. 40 was also given by Severo Basbas to Valentin Basbas. Such a claim has no basis at all. The [petitioners'] evidence, specifically the Friar Lands Certificate x x x and the Certification from the DENR x x x show that Valentin Basbas acquired Lot No. 40 of the Santa Rosa Detached Estate by purchase from the government way back on April 1, 1913, contrary to the allegations of the defendants [including herein respondent Ricardo] that the same was given by Severo Basbas to Valentin Basbas as the latter's share in the inheritance.[10]

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[10] Records, pp. 520-521 and 524-525.

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In marked contrast, the Court of Appeals zeroed in on the claim of Crispiniano and Ricardo that they are descendants, likewise great grandchildren, of Severo and inherited Lot No. 39 from their father Felomino Basbas, Severo's grandson from the latter's son, Nicolas, who received the subject property as his share in Severo's estate. On the whole, the appellate court ruled that the MTC and the RTC, acting in their general jurisdiction, did not have authority to rule on issues of filiation and heirship of the parties to the decedent Severo, such matters to be sorted and established in a special proceeding and falling within the jurisdiction of a probate court.

The pivotal issue in this case turns on the applicability of our ruling in *Heirs of Yaptinchay v. Hon. del Rosario*.

We cannot subscribe to the appellate court's ruling unqualifiedly applying *Heirs of Yaptinchay*. Mistakenly, the Court of Appeals glosses over facts, not controverted by Crispiniano and respondent Ricardo:

(1) Valentin was a legitimate child of Severo and Ana Rivera; and

(2) Petitioners are themselves legitimate descendants of Valentin.

Not only is the petitioners' heirship to Severo uncontroverted. The status of Valentin as a compulsory heir of Severo and of petitioners' statuses as heirs of Valentin and Severo are stipulated facts agreed to by Crispiniano and respondent Ricardo:

1. [Severo] Basbas is married to Ana Rivera.
2. Both Crispiniano Basbas and Ricardo Basbas bear the middle name Talampas.
3. [Petitioners] are direct descendants of Valentin Basbas, who is a son of [Severo] Basbas.
4. The property at dispute was originally registered in [Severo's] name.[11]

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[11] *Id*. at 151.

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On the other hand, Crispiniano and respondent Ricardo miserably fail to establish the status of their ascendant and purported predecessor-in-interest, Nicolas. In fact, the testimony of respondent Ricardo tells about the status of Valentin, not about Nicolas' status, as a compulsory heir of Severo:

Q Now, do you know also [petitioners] in this case the heirs of Valentin Basbas, Mr. Witness?
A Yes, sir.

Q Why do you know them Mr. Witness?
A They are my relatives, sir.

Q Will you tell us specifically what is your relationship with [petitioners] in this case, Mr. Witness?
A They are my cousins, I used to call them "*Kuya*."

Q How come you became the relatives of [petitioners,] (*sic*) Mr. Witness?
A My father and the father of [petitioners] are relatives.

Q Specifically, what is the name of the father of [petitioners], Mr. Witness?
A Valentin Basbas.

Q What is the name of your father?
A Felomino Basbas.

Q How is Felomino and Valentin related?
A They are cousins.

Court
How come they became [your] cousins?
A Their family names are both Basbas.

Q And that is your only basis in saying that they are relatives?
A No.

Q So, what other basis?
A Severo Basbas is the eldest and he bore a child name[d] Nicolas Basbas and Nicolas Basbas bore a child name[d] Felomino Basbas who [had] two sons named Crispiniano and Ricardo Basbas.

x x x x x x x x x

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Q Who was the father of Valentin Basbas then?
A Severo Basbas.

Q You said a while ago that Nicolas Basbas is the son of Severo Basbas and now you are saying that Valentin Basbas is the son of Severo Basbas, you mean to say that Valentin Basbas and Nicolas Basbas are brothers?
A Yes, Nicolas is the eldest[older] th[a]n Valentin Basbas.

Q So, it is clear now that Nicolas and Valentin Basbas are brothers?
A That is what I know. That is what my brother told me.[12]

Mauro Basbas (Mauro), one of the defendants before the trial court, while testifying, also failed to shed light on the status of Nicolas as an heir of Severo, insisting only that Nicolas is Severo's son as told to him by his grandfather, Felomino Basbas. Mauro even categorically answered that the wife of Severo is Ana Rivera, further establishing the legitimacy of Valentin as the son of Severo and Ana Rivera:

Q Who is the father of Felomino Basbas?
A Nicolas Basbas.

Q You mean to tell us that Nicolas is the son of Severo Basbas?
A Yes.

Q Do you happen to know the mother of Felomino Basbas?
A Yes.

Q Would you tell us?
A Catalina Mane.

Q Since you seem to be so well informed about the family of Severo Basbas, can you tell us who was the wife of Severo Basbas?
A Ana Rivera.

Q How can you say now unless you are implying that Severo Basbas had an illegitimate son, how can you explain now why the surname… the middle name of your grandfather is [not] Rivera?

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[12] TSN, 15 June 1999, pp. 5-12.

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Court
x x x x x x x x x
What is the middlename (sic) of Severo Basbas?
A I don't know.

Court
Who is the son of Severo Basbas?
A Nicolas Basbas.

Q What is the maiden name (*sic*) of Nicolas Basbas?
A I don't know.[13]

In all, Valentin's long-possessed status as a legitimate child and thus, heir of Severo, need no longer be the subject of a special proceeding for declaration of heirship as envisioned by the Court of Appeals. There is no need to re-declare his status as an heir of Severo.

And, contraposed to the fact that Valentin's status as a legitimate child of Severo is already established, Nicolas' status as a purported heir of Severo can no longer be established, Nicolas' right thereto expiring upon his death.

Glaringly, there is no pretension from respondent's end that Nicolas was born of a valid marriage, only that he is Severo's son. Nonetheless, even if respondents were minded to establish the status of Nicolas, whether he is a legitimate or an illegitimate child of Severo, such can no longer be done.

Article 165, in relation to Articles 173 and 175, of the Family Code and Article 285 of the Civil Code state:

Art. 165. Children conceived and born outside a valid marriage are illegitimate, unless otherwise provided in this Code.

Chapter 3. Illegitimate Children

Art. 173. The action to claim legitimacy may be brought by the child during his or her lifetime and shall be transmitted to the heirs should the child die during minority or in a state of insanity. In these cases, the heirs shall have a period of five years within which to institute the action.

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[13] TSN, 8 June 1999, pp. 8-10.

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Art. 175. Illegitimate children may establish their illegitimate filiation in the same way and on the same evidence as legitimate children. The action must be brought within the same period specified in Article 173, except when the action is based on the second paragraph of Article 172, in which case the action may be brought during the lifetime of the alleged parent.

CHAPTER 4
ILLEGITIMATE CHILDREN

SECTION 1. - Recognition of Natural Children

Art. 285. The action for the recognition of natural children may be brought only during the lifetime of the presumed parents, except in the following cases:

(1) If the father or mother died during the minority of the child, in which case the latter may file the action before the expiration of four years from the attainment of his majority;

(2) If after the death of the father or of the mother a document should appear of which nothing had been heard and in which either or both parents recognize the child.

In this case, the action must be commenced within four years from the finding of the document.

Our ruling in *Raymundo v. Vda. de Suarez*[14] is instructive:

Petitioner Valente insists that, following our ruling in *Heirs of Yaptinchay v. Del Rosario*, herein respondents must first be declared heirs of Marcelo Sr. before they can file an action to annul the judicial sale of what is, undisputedly, conjugal property of Teofista and Marcelo Sr.

We disagree. Our ruling in *Heirs of Yaptinchay* is not applicable.

Herein respondents' status as legitimate children of Marcelo Sr. and Teofista — and thus, Marcelo Sr.'s heirs — has been firmly established, and confirmed by this Court in *Suarez v. Court of Appeals*. True, this Court is not a trier of facts, but as the final arbiter of disputes, we found and so ruled that herein respondents are children, and heirs of their deceased father, Marcelo Sr. This having been settled, it should no longer have been a litigated issue when we

[14] 593 Phil. 28 (2008).

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ordered a remand to the lower court. In short, petitioner Valente's, Violeta's, Virginia's, and Maria Concepcion's representation in the RTC that our ruling in *Suarez* required herein respondents to present evidence of their affiliation with the deceased, Marcelo Sr., is wrong.

As was set forth in the dispositive portion of *Suarez*, "Civil Case No. 51203 is reinstated only to determine that portion which belongs to [herein respondents] and to annul the sale with regard to said portion." There is clearly no intimation in our decision for the RTC to have to determine an already settled issue *i.e.*, herein respondents' status as heirs of Marcelo Sr.

Moreover, petitioner Valente cannot assail, directly or indirectly, the status of herein respondents as legitimate children of Marcelo Sr. and Teofista, and likewise demand that herein respondents first prove their filiation to Marcelo Sr. The following records bear out Marcelo, Sr.'s and Teofista's paternity of herein respondents, and the latter's status as legitimate children:

1. The CA decision in CA-G.R. SP Nos. 10646 to 10649 where Teofista, along with herein respondents, questioned the RTC, Branch 151's Orders dated October 10, 1984 and October 14, 1986. Although the CA ruled against Teofista and herein respondents, it explicitly recognized the latter's status as legitimate children of Teofista and Marcelo Sr.; and

2. The CA decision in CA-G.R. SP No. 20320 which incorrectly ruled that herein respondents were, as children of Teofista, merely successors-in-interest of the latter to the property and by virtue thereof, bound by the judgment in Civil Case Nos. 21376 to 21379 consistent with the doctrine of *res judicata*. We subsequently reversed this ruling on the wrong application of *res judicata* in the conclusive case of *Suarez*. We retained and affirmed, however, the CA's factual finding of herein respondents' status as heirs of Marcelo Sr. We categorically held therein that "the proprietary interest of [herein respondents] in the levied and auctioned [properties] is different from and adverse to that of [Teofista]. [Herein respondents] became co-owners of the property not because of [Teofista] but through their own right as children of their deceased father [, Marcelo Sr.]." Clearly, herein respondents' long possessed status of legitimate children of Marcelo Sr. and Teofista cannot be indirectly or directly attacked by petitioner Valente in an action to annul a judicial sale.

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Articles 262, 263, 265 and 266 of the Civil Code, the applicable law at the time of Marcelo's death, support the foregoing conclusion, to wit:

> Art. 262. The heirs of the husband may impugn the legitimacy of the child only in the following cases:
>
> (1) If the husband should die before the expiration of the period fixed for bringing his action;
>
> (2) If the husband should die after the filing of the complaint, without having desisted from the same;
>
> (3) If the child was born after the death of the husband.
>
> Art. 263. The action to impugn the legitimacy of the child shall be brought within one year from the recording of birth in the Civil Register, if the husband should be in the same place, or in a proper case, any of his heirs.
>
> If he or his heirs are absent, the period shall be eighteen months if they should reside in the Philippines; and two years if abroad. If the birth of the child has been concealed, the term shall be counted from the discovery of the fraud.
>
> Art. 265. The filiation of legitimate children is proved by the record of birth appearing in the Civil Register, or by an authentic document or a final judgment.
>
> Art. 266. In the absence of the titles indicated in the preceding article, the filiation shall be proved by the continuous possession of status of a legitimate child.

In *Heirs of Yaptinchay*, the complaint for annulment and/or declaration of nullity of certain TCT's was dismissed for failure of the petitioners to demonstrate "any proof or even a semblance of it" that they had been declared the legal heirs of the deceased couple, the spouses Yaptinchay. In stark contrast, the records of this case reveal a document, an Extrajudicial Settlement of Marcelo Sr.'s estate, which explicitly recognizes herein respondents as Marcelo Sr.'s legitimate children and heirs. The same document settles and partitions the estate of Marcelo Sr. specifying Teofista's paraphernal properties, and separates the properties she owns in common with her children, herein respondents. Plainly, there is no need to re-

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declare herein respondents as heirs of Marcelo Sr., and prolong this case interminably.[15]

Thus, we find no need for a separate proceeding for a declaration of the heirs of Severo in order to resolve petitioners' Action for Annulment of Title and Reconveyance of the subject property.

Prescinding from the foregoing, a closer scrutiny of the documents presented in evidence by Crispiniano and Ricardo before the trial court, betray the fraudulence of their claim.

1. Order of the RTC, Branch 25, Biñan, Laguna in LRC B-758, a Petition for Reconstitution of Title filed by Crispiniano and respondent Ricardo:

> Petitioner alleges that a certain parcel of residential land, situated in the Municipality of Santa Rosa, Province of Laguna is registered in the name of the legal heirs of Severo Basbas as evidenced by a Transfer Certificate of Title No. (N.A.) of the Register of Deeds of Laguna (Exhibit "E"); that the aforementioned duplicate copy of Transfer Certificate of Title No. (N.A.) was lost during the latter part of the Japanese Occupation when the petitioner and his family evacuated from their residence to evade the atrocities being committed by the Japanese soldiers; that after peace and order was restored, diligent efforts were exerted in trying to find the said certificate of title, but the same proved futile; and that pursuant to the provisions of R.A. No. 26, petitioner desires that the original copy of said title be reconstituted and thereafter have the full technical description of Lot No. 39 of the Santa Rosa Detached Estate be inscribed therein.
>
> Pursuant to Section 12 of Republic Act No. 26 copies of the petition, notice of hearing, plan and technical description of Lot No. 39 of the Santa Rosa Detached Estate were forwarded to the Office of the Land Registration Commission for appropriate action. On January 18, 1989, this Court received the Report (Exhibit "C") of the Acting Administrator of the Land Registration Commission (now NLTDRA).
>
> x x x x x x x x x
>
> At the hearing, no one appeared to oppose the petition.

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[15] *Id*. at 51-54.

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During the hearing of the petition, Atty. Agapito G. Carait, counsel for the petitioner, presented Crispiniano Basbas. Together with his testimony, the following documentary evidence were presented, to wit:

Exhibits	"A"	-	the publication in the Official Gazette;
	"B"	-	Certificate of Posting;
	"C"	-	Report;
	"D"	-	Certification form from the Register of Deeds; and
	"E"	-	Friar Lands Sale Certificate.

CRISPINIANO BASBAS, 70 years old, widower and a resident of Santa Rosa, Laguna, stated that he is the petitioner in this case; that the parcel of land involved in this case is situated at Aplaya, Santa Rosa, Laguna and is identified as Lot No. 39 of the Santa Rosa Detached Estate with an area of 330 sq. m.; that he was born in that property; that this parcel of land was covered by a title in the name of the heirs of Severo Basbas; that the title was lost during the Japanese Occupation when his father Felomino Basbas who was then in possession of the duplicate title, evacuated to the Province of Rizal particularly in Tanay; that later on his father moved to Sta. Maria, Laguna; that he was with his father when they evacuated to a place called Laranga; that while there, he saw the title in the possession of his father in the "*maleta*" where he kept it; that when they returned to Santa Rosa, Laguna, he asked his father regarding the Transfer Certificate of Title and his father told him that the title was lost in the mountains of Rizal; the petitioner verified from the Office of the Register of Deeds if said title is still intact with their office; that the Register of Deeds issued a certification (Exhibit "D") to the effect that Lot 39 of Santa Rosa Detached Estate has no record on file with the office; that petitioner went to the Bureau of Lands to verify the title and found out that the said patent was issued in the name of the legal heirs of Severo Basbas (Exhibit "E"); that the children of the petitioner are now in possession of Lot 39; that the petitioner's father had paid the realty taxes and after his death, he (petitioner) continued paying the taxes; that his father exerted all efforts to recover or find the said title but the same proved futile; and that to his own knowledge, Transfer Certificate

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of Title No. (N.A.) covering Lot No. 39 has never been encumbered, sold or given as security for the performance of any obligation.

x x x x x x x x x

Thus, the Administrator of the Land Registration Authority, in his REPORT dated January 18, 1989 recommends:

> WHEREFORE, the foregoing information relative to Lot No. 39, Santa Rosa Detached Estate, is respectfully submitted for consideration in the resolution of the instant petition, and if the Honorable Court, after notice and hearing, finds justification pursuant to Section 15 Republic Act No. 26 to grant the same, the owner's duplicate of Transfer Certificate of Title No. (N.A.) may be used as a source of the desired reconstitution pursuant to Section 3 (a) of Republic Act No. 26, Provided, however, that in case the petition is granted, the reconstituted title should be made subject to such encumbrances as may be subsisting, and provided, further that no certificate of title covering the same parcel of land exists in the Office of the Register of Deeds concerned.

x x x x x x x x x

WHEREFORE, finding the petition to be in order and meritorious and there being no objection on the part of the Land Registration Commission (now NLTDRA) as to the technical description of Lot No. 39, the same is hereby GRANTED. The Court hereby orders the Register of Deeds of Laguna, Calamba Branch to reconstitute the original copy of TCT No. (N.A.) in the name of the heirs of Severo Basbas who appear in the aforesaid Transfer Certificate of Title at the time the original was lost and/or destroyed as the registered owners, using as basis the technical description of Lot 39, certified by the Bureau of Lands, and thereafter to annotate on the corresponding title the full technical description of Lot No. 39 of the Sta. Rosa Detached Estate.

For this purpose, the Clerk of Court is directed to forward to the Registry of Deeds of Laguna, Calamba Branch, a certified copy of the Report of the Acting Administrator, Land Registration Authority dated January 18, 1989, the copy of the technical description, which documents shall be used by the Register of Deeds as bases for reconstitution and inscription.[16]

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[16] Records, pp. 293-296.

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2. Extra-Judicial Settlement of Estate of Severo executed by Crispiniano and respondent Ricardo:

EXTRA-JUDICIAL SETTLEMENT OF ESTATE OF DECEASED SEVERO BASBAS

x x x x

That FELOMINO BASBAS is our father and likewise died intestate last October 30, 1976 leaving no will or debts and the share of MELENCIO CASUBHA was sold and bought by us last 5 December 1977, xerox copy of such Deed is hereto attached as Annex "A" and made an integral part of this Extra-Judicial Settlement of Estate of Deceased SEVERO BASBAS;

That there is no pending testate or intestate proceedings against said estate;

That in view thereof the aforenamed CRISPINIANO and RICARDO both surnamed BASBAS do hereby adjudicate unto themselves the aforedescribed parcel of land subject to the provisions of Sec. 4, Rule 74 of the Rules of Court as follows:

CRISPINIANO BASBAS – undivided share and
RICARDO BASBAS – undivided share;[17]

Ultimately, we agree with the disquisition of the trial courts in annulling TCT No. 294295 and ordering the reconveyance of Lot No. 39 to petitioners:

x x x [We proceed to] the next issue as to "whether or not the Extrajudicial Settlement of Estate of Deceased Severo Basbas executed by Crispiniano and Ricardo Basbas is valid." The Court believes otherwise. Simply because the defendants [including herein respondent Ricardo] are not the legal heirs of the late Severo Basbas. They (defendants) [including herein respondent Ricardo] claimed that they derived their title and ownership over Lot No. 39 in representation of Felomino Basbas, an alleged [grand]son of the late Severo Basbas; that Severo Basbas gave Lot No. 39 to Nicolas Basbas; and that Lot No. 40 was also given by Severo Basbas to Valentin Basbas. Such a claim has no basis at all. The [petitioners'] evidence, specifically the Friar Lands Certificate x x x and the Certification from the

[17] *Id*. at 297.

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DENR x x x show that Valentin Basbas acquired Lot No. 40 of the Santa Rosa Detached Estate by purchase from the government way back on April 1, 1913, contrary to the allegations of the defendants [including herein respondent Ricardo] that the same was given by Severo Basbas to Valentin Basba as the latter's share in the inheritance.

Claiming to be the only heirs of Felomino Basbas (their father), and that Felomino Basbas and Melencio Casubha are the only heirs of the late Severo Basbas, Crispiniano Basbas and Ricardo Basbas executed an Extra-Judicial Settlement of Estate of Deceased Severo Basbas on November 12, 1993, whereby they adjudicated to themselves Lot No. 39 of the Santa Rosa Detached Estate x x x. On the basis of the said Extra-Judicial Settlement, Crispiniano Basbas filed a Petition For The Reconstitution of Title No. (N.A.) covering Lot No. 39 of the Santa Rosa Detached Estate x x x before the Regional Trial Court of Biñan, Laguna, and after hearing, an Order was issued granting the aforesaid petition. Subsequently thereafter, TCT No. RT-1684 (N.A.) in the names of the Heirs of Severo Basbas was cancelled and a new title (TCT No. 294295) was issued in the names of Crispiniano Basbas and Ricardo Basbas, defendants [therein.]

Based on the evidence on hand, defendants [including herein respondent Ricardo] acquired the property in question through fraud and, therefore, an implied trust was created in favor of [petitioners] under Article 1456 of the New Civil Code, which provides, thus:

> If property is acquired through mistake or fraud, the person obtaining it is, by force of law, considered a trustee of an implied trust for the benefit of the person from whom the property comes.

What right or rights, therefore, do they have under these circumstances? Since a constructive trust was created, [petitioners] have the right to recover the property subject of this action. The fact that the decision of the RTC, Biñan, Laguna approving/granting the petition for the reconstitution of the title covering Lot No. 39 and said decision has obtained its finality, is of no moment. It has been held: "the rule that registration of real property under the Torrens System has the effect of constructive notice to the whole world cannot be availed of when the purpose of the action is to compel a trustee to convey the property registered in his name for the benefit of the *cestui que trust*. In other words, the defense of prescription cannot be set up in an action to enforce a trust x x x.

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The fact that the subject lot was already registered in the defendants' [including herein respondent Ricardo] name and indeed a Tax Declaration was issued in their favor for taxation purposes, and they have paid the taxes due thereon, are not conclusive evidence of ownership. Hence, it has been held:

> When a person obtains a certificate of title to a land belonging to another and he has full knowledge of the rights of a true owner, he is considered guilty of fraud, and he may be compelled to transfer the land to the defrauded owner so long as the property has not passed to the hands of an innocent purchaser for value x x x. Also it has been held "that an original owner of registered land may seek annulment of the transfer thereof on the ground of fraud and the proper remedy is reconveyance x x x.[18]

We add that Valentin's rights to the succession vested from the moment of death of the decedent Severo.[19] In turn, petitioners', as Heirs of Valentin, who is an uncontested heir of decedent Severo, rights to the succession vested from the moment of Valentin's death. As such, they own Lot No. 39, undisputedly titled in Severo's name and forming part of Severo's estate, and are entitled to the titling thereof in their names.

In this regard, we note that the Court of Appeals did not reverse the trials courts' factual finding on Cripiniano's and Ricardo's fraudulent titling of Lot No. 39 in their names. The evidence presented by Crispiniano and Ricardo highlight the fraudulence of their claim:

1. Title to Lot No. 39 is not in their names, neither is it titled in the name of their predecessors-in-interest, Nicolas and Felomino Basbas;

2. Crispiniano and Ricardo are not the only heirs of Severo, if they are even heirs to begin with.

One final note. Severo, as well as Valentin, have been long dead. It is well-nigh that title to the subject property, Lot No. 39 of the Santa Rosa Detached Estate, appear in the names of

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[18] *Id*. at 525.

[19] Civil Code, Article 777.

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the petitioners, Heirs of Valentin, herein declared heirs of Severo, or their successors-in-interest, to finally settle title thereto and prevent occurrences of fraudulent titling thereof. Hence, petitioners, Heirs of Valentin and their successors-in-interest, are directed to take the appropriate action for titling of the subject property.

WHEREFORE, the petition is **GRANTED.** The Decision of the Court of Appeals in CA-G.R. SP No. 99853 is **REVERSED.** The Decision of the Regional Trial Court and the Municipal Trial Court are **AFFIRMED.** Petitioners, Heirs of Valentin Basbas and their successors-in-interest, are likewise **DIRECTED** to take the appropriate action for titling of Lot No. 39 of Santa Rosa Detached Estate with dispatch, and **NOTIFY** this Court within ten (10) days of such action.

SO ORDERED.

Velasco, Jr.,[*] *Leonardo-de Castro*[**] *(Acting Chairperson), Bersamin,* and *Perlas-Bernabe, JJ.,* concur.

THIRD DIVISION

[G.R. No. 194176. September 10, 2014]

LIMUELL C. NARCISO, OMAR C. MATUGUINA, ERIC MATUGUINA, AZENITH MAG-ASO, LILIBETH MASCARIÑAS, LUTGARDO OGAMA, LOLITO COLLAMAT, IRIS MATUGUINA and ELMER BANILAD, CARLOS B. MATUGUINA, JR., BIBIANO ESTRERA, JR., PEDRO LINABOG, BOBBY ALQUEZA, SANTIAGO ATIS, MARLON DAMAYO, CASINILLO NESTRO, BERNARDITO DACAN,

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[*] Per Special Order No. 1772 dated 28 August 2014.

[**] Per Special Order No. 1771 dated 28 August 2014.