THIRD DIVISION

[G.R. No. 259815. August 5, 2024]
(Formerly UDK 17421)

MAZY'S CAPITAL, INC., *Petitioner*, *v.* **REPUBLIC OF THE PHILIPPINES, represented by the DEPARTMENT OF NATIONAL DEFENSE,** *Respondent*.

D E C I S I O N

CAGUIOA, *J.*:

Before the Court is a Petition for Review on Certiorari under Rule 45 of the Rules of Court[1] (Petition) filed by petitioner Mazy's Capital, Inc. (Mazy's) against respondent Republic of the Philippines (Republic), represented by the Department of National Defense (DND), assailing the *Decision*[2] dated March 20, 2020 and *Resolution*[3] dated September 30, 2021 issued by the Court of Appeals (CA), Cebu City in CA-G.R. CV No. 05860.[4] The CA reversed the dismissal of the Republic's *Complaint* for cancellation of reconstituted title and remanded the case to Branch 12, Regional Trial Court (RTC), Cebu City (RTC-Br. 12) for further proceedings.

The Facts and Antecedent Proceedings

The controversy involves a 46,143-square meter property known as Lot No. 937 (Lot 937 or subject property) located in Cebu City. Lot 937 was part of the Banilad Friar Lands Estate (Friar Lands)

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1 *Rollo*, pp. 40–79.

2 *Id.* at 81–93. Penned by Associate Justice Carlito B. Calpatura and concurred in by Associate Justices Gabriel T. Ingles and Alfredo D. Ampuan of the Special Eighteenth Division, CA, Cebu City.

3 *Id.* at 95–97. Penned by Associate Justice Gabriel T. Ingles and concurred in by Associate Justices Dorothy P. Montejo-Gonzaga and Bautista G. Corpin, Jr. of the Special Former Eighteenth Division, CA, Cebu City.

4 Also appears as CA-G.R. CEB CV No. 05860 in some parts of the *rollo*.

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which has been the subject of several disputes that have reached the Court through the years.[5] Much like the other Friar Lands cases, the Court is again faced with the issue of who between two contending parties is the rightful owner of the disputed property, the determination of which is best resolved after the Court first exhaustively examines the history of the present case.

Civil Case No. 781:
1938 Expropriation Proceedings

On September 5, 1938, or 86 years ago, the Commonwealth of the Philippines (Commonwealth) filed before the Court of First Instance of Cebu (CFI), an expropriation complaint[6] against various landowners of the Friar Lands, which was docketed as Civil Case No. 781 (Expropriation Case). The purpose of the expropriation was to carry out the development program of the Armed Forces of the Philippines (AFP) under the National Defense Act.[7] Among the parcels of land included in the Expropriation Case was Lot 937 which was registered under Transfer Certificate of Title (TCT) No. 5306[8] in the name of Eutiquio Uy Godinez[9] (Eutiquio), married to Felisa Sy Cip[10] (Felisa). Lot 937 was provisionally valued at PHP 1,845.72 in the Commonwealth's complaint.[11] As administratrix of Eutiquio's estate, Felisa filed

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[5] *Valdehueza v. Republic*, 123 Phil. 968 (1966) [Per J. J.P. Bengzon, *En Banc*]; *Republic v. Lim*, 500 Phil. 652 (2005) [Per J. Sandoval-Gutierrez, *En Banc*]; *Federated Realty Corporation v. CA*, 514 Phil. 93 (2005) [Per J. Tinga, Second Division]; *San Roque Realty and Development Corporation v. Republic*, 559 Phil. 264 (2007) [Per J. Nachura, Third Division].

[6] *Rollo*, pp. 1434–1439, Complaint (Expropriation Case Records).

[7] *Id.* at 1437.

[8] *Id.* at 1436, Complaint (Expropriation Case Records) and 1511, *Mocion de Felisa Sy Cip* dated April 19, 1939 (*Mocion*) (Expropriation Case Records).

[9] Sometimes referred to as "Eustaquio Uy Godinez," "Eustiquo Godinez," "Eusigio Godinez," "Eusiquio Uy Godinez," "Esiguio Godinez," "Esiquio Godinez," or "Eusigio Godinez" in some parts the *rollo*.

[10] Also appears as "Felisa Sycip Godinez" in some parts of the *rollo*.

[11] *Rollo*, p. 1438, Complaint (Expropriation Records).

her Answer.[12] In due course, the Commonwealth deposited the amount of PHP 9,500.00 with the Provincial Treasurer of Cebu as provisional value of all the lots to be expropriated.[13] Thereafter, the Commonwealth supposedly took possession of Lot 937.[14]

During the pendency of the proceedings, Felisa filed a motion[15] stating that she found the value of PHP 1,845.72 acceptable as just compensation for Lot 937 and prayed that the Commonwealth, which was already in possession of Lot 937, be ordered to pay her the said amount.[16] The CFI granted Felisa's motion in a *Decision Parcial*[17] dated April 22, 1939 (1939 Partial Decision). Pursuant thereto, the Commonwealth supposedly paid Felisa the amount of PHP 1,845.72, as evidenced by a Provincial Voucher[18] dated May 25, 1939.

Eventually, the CFI rendered a Decision[19] dated May 14, 1940 (1940 Decision), which set the amount of just compensation for each of the expropriated lots and ordered the government to pay the same. As regards Lot 937, the CFI deemed the same as already resolved based on the 1939 Partial Decision.[20]

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[12] *Id.* at 1465, *Contestacion de la Administradora Judicial de los Bienes del Finado Eusiquio Uy Godinez*.

[13] *Id.* at 1485, Radio Transmittal Notice by the AFP to the CFI (Expropriation Case Records); *id.* at 1502, Letter from Cebu Provincial Treasurer D.M. Fabella dated November 23, 1938 (Expropriation Case Records).

[14] *Id.* at 1512, *Mocion* (Expropriation Case Records); *id.* at 218, English translation of the *Mocion*; *id.* at 1515, *Decision Parcial* (Expropriation Case Records); *id.* at 549, English translation of the *Decision Parcial*.

[15] *Id.* at 1511–1513 *Mocion* (Expropriation Case Records); *id.* at 217–219, English translation of the *Mocion*.

[16] *Id.*; *id.*

[17] *Id.* at 1515 (Expropriation Case Records); *id.* at 549, English translation of the *Decision Parcial.*

[18] *Id.* at 1522 (Expropriation Case Records).

[19] *Id.* at 1879–1890 (Expropriation Case Records); *id.* at 552–557, English translation of the Decision dated May 14, 1940.

[20] *Id.* at 556; *see also id.* at 1009, Joint Stipulation of Facts dated February 16, 2023.

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World War II broke out in the Philippines in 1941 which ended only in 1945 after the Battle of Manila when the Philippines was liberated from Japanese occupation. The disruption by the war caused several controversies over the legal ownership and possession of the Friar Lands between the Philippine Army and the landowners and possessors thereof. Based on *Federated Realty Corporation v. CA*,[21] all 18 lots subject of the Expropriation Case were later converted into a national airport in 1947 by virtue of a Presidential Proclamation.[22]

G.L.R.O. Record No. 5988: 1954 Reconstitution of Title Case

On March 12, 1954, a *Petition for Judicial Reconstitution of Title*[23] was filed with the CFI. The petition was filed by Ramona U. Agustines, a supposed attorney-in-fact of Mariano Godinez (Mariano), Eutiquio's son, and alleged that Mariano inherited the property from Eutiquio and was the registered owner of Lot 937 which was covered by a title before the war; and that due to loss of records, the title number could no longer be determined. The petition claimed that Mariano was in possession of the property and that it was not encumbered, pledged, or sold. The case was docketed as G.L.R.O. Record No. 5988 (Reconstitution Case).

In an Order[24] dated March 1, 1956, the CFI granted the petition after finding that: (1) Mariano was the registered owner of the lot; and (2) both the owner's duplicate and the original copy of a certificate of title covering Lot 937 kept in the office of the Register of Deeds of Cebu had been lost or destroyed during the war. The CFI thus directed the Registry of Deeds of Cebu to issue a reconstituted title in the name of Mariano. Accordingly, Mariano was issued TCT No. RT-6757.

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21 *Supra* note 5.

22 *Id.* at 98.

23 *Rollo*, 2323–2324 (Reconstitution Case Records).

24 *Id.* at 2355–2357 (Reconstitution Case Records).

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Civil Case No. CEB-19845:
1997 Reivindicatoria Action

On January 27, 1997, Eugenio Amores and Domingo Antigua, supposed attorneys-in-fact of Mariano, filed with Branch 9, RTC, Cebu City, (RTC-Br. 9) a *reivindicatoria* complaint[25] against the Republic, alleging that Mariano is the absolute and exclusive owner of Lot 937.[26] The case was docketed as Civil Case No. CEB-19845 (Reivindicatoria Case). In the complaint, it is alleged that Mariano was always in possession of the property through his overseer until the early 1990s when the Republic, through the Philippine National Police (PNP), took possession of the same based on the expropriation case notwithstanding the non-payment of just compensation. The PNP allegedly entered the property and constructed buildings and other structures on the property.[27]

In a Decision[28] dated April 18, 2002, the RTC-Br. 9 ruled that Mariano was the absolute and exclusive owner of Lot 937,[29] as evidenced by TCT No. RT-6757,[30] and that he remained as such since the Expropriation Case was never consummated because the Republic failed to prove the payment of just compensation. The fact of non-payment was based on the following findings: (1) the Republic did not present any deed of sale; (2) the Republic has not transferred the title of Lot 937 to its name, even though the Expropriation Case was decided as early as 1940; (3) no annotation of the judgment of expropriation on the title of the property was made; (4) no motion for execution or motion for issuance of writ of possession had been filed by the Republic in the Expropriation Case; (5) the testimony of Mariano's attorneys-in-fact that there was no payment; (6) the provisional deposit presented by the Republic during the proceedings was insufficient to prove

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[25] *Id.* at 129–132.

[26] *Id.* at 129.

[27] *Id.* at 129–130.

[28] *Id.* at 148–158, RTC Decision dated April 18, 2002, penned by Presiding Judge Benigno G. Gaviola.

[29] *Id.* at 158.

[30] *Id.* at 151 and 158.

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payment of just compensation since there is no indication that the amount was disbursed or that it was received by the concerned parties; and (7) the Province of Cebu donated 47 lots with an area of 81 hectares to the Republic which the RTC-Br. 9 considered as one of the reasons why the Republic did not bother to pay the just compensation, to have the judgment in the expropriation proceedings annotated, or to cause the title of Lot 937 to be transferred to its name.[31] Likewise, the RTC-Br. 9 determined that the Republic could no longer seek the enforcement of the 1940 Decision in the expropriation case which has become stale for failure of the Republic to seek its enforcement under Rule 39, Section 6,[32] of the 1997 Rules of Court.[33]

Upon appeal by the Republic, the CA affirmed the trial court's decision. The CA agreed with the RTC's finding that the Republic failed to prove its payment of just compensation. The CA noted that the 1940 Decision did not order the expropriation of Lot 937 but only mentioned the property in reference to the earlier issued 1939 Partial Decision of Judge Benito Natividad. However, while the Republic submitted a copy of the 1939 Partial Decision as part of its evidence, the copy provided was in Spanish and no official translation was provided. Thus, the CA did not give any evidentiary weight and credence thereto.[34]

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[31] *Id.* at 153–156.

[32] Section 6. *Execution by motion or by independent action*. — A final and executory judgment or order may be executed on motion within five (5) years from the date of its entry. After the lapse of such time, and before it is barred by the statute of limitations, a judgment may be enforced by action. The revived judgment may also be enforced by motion within five (5) years from the date of its entry and thereafter by action before it is barred by the statute of limitations.

[33] *Rollo*, pp. 156–157, RTC Decision dated April 18, 2002 in the Reivindicatoria Case.

[34] *Id.* at 159–175. CA Decision dated July 20, 2007 in CA-G.R. CV No. 76597, penned by Associate Justice Priscilla Baltazar-Padilla and concurred in by Associate Justices Pampio A. Abarintos and Stephen C. Cruz of the Twentieth (20th) Division, CA, Cebu City.

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This CA decision became final and executory when no appeal was filed by the Republic.[35] Thereafter, the RTC-Br. 9, upon Mariano's motion, issued writs of execution and demolition in 2010.[36]

In the meantime, Archangels Residents Mergence, Inc. (ARMI), which claimed to represent the residents of Lot 937, filed a motion to quash the writs before the RTC-Br. 9. Upon denial of the motion, ARMI filed a Rule 65 petition with prayer for a writ of preliminary injunction before the CA, docketed as CA-G.R. SP No. 05751. The CA issued a writ of preliminary injunction on July 21, 2011. On February 1, 2012, the CA dismissed ARMI's petition since it was filed out of time.[37] The CA also ruled that ARMI merely occupied Lot 937 by authority of the AFP. Thus, the CA ruled that ARMI was merely an agent of the Republic which did not have a separate and independent right over the lot. ARMI elevated the matter before the Court, docketed as G.R. No. 201766, to challenge the CA decision. However, the Court dismissed the petition since the verification was defective and ARMI failed to prove that the CA committed any reversible error. This became final and executory on January 15, 2013.[38]

In 2018, the RTC-Br. 9, upon Mariano's motion, issued another set of writs of execution and demolition. This was questioned by the Republic via a Rule 65 petition before the CA in CA-G.R. SP No. 13238, arguing that the RTC's decision could no longer be enforced by mere motion as more than five years had lapsed from

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[35] *Id.* at 176–177, Entry of Judgment and Resolution dated August 20, 2008.

[36] *See id.* at 3249, CA Decision dated June 23, 2023 in CA-G.R. SP No. 12553.

[37] *Archangels Residents Mergence, Inc. v. Sarmiento, et al.*, CA-G.R. SP No. 05751, February 1, 2012 penned by Associate Justice Myra V. Garcia-Fernandez and concurred in by Associate Justices Ramon Paul L. Hernando (now a Member of the Court) and Nina G. Antonio-Valenzuela of the Special Former Eighteenth (18th) Division, CA, Cebu City (Court of Appeals Database).

[38] *Rollo*, pp. 3250–3251. CA Decision dated June 23, 2023 in CA-G.R. SP No. 12553.

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the entry of judgment. In a Decision[39] dated February 11, 2022, the CA dismissed the Republic's petition. According to the CA, the delay in execution could not be attributed to Mariano since it was caused by ARMI's filing of CA-G.R. SP No. 05751 before the CA. Thus, the CA found that the RTC-Br. 9 acted within its jurisdiction in granting the motion and issuance of the writs. The Republic filed a motion for reconsideration which the CA denied on June 23, 2023.[40]

In the meantime, while the Reivindicatoria Case was the subject of review before the CA, the property was sold by Mariano to Mazy's through a Deed of Absolute Sale[41] dated February 15, 2018. Mazy's then caused the cancellation of Mariano's title and TCT No. 107-2018002380 was issued in its name.[42]

In yet another action to question the writs of execution and demolition issued by the RTC-Br. 9, members of the AFP who reside in Lot 937 filed a petition for annulment of judgment before the CA which was docketed as CA-G.R. SP No. 12553. The AFP members sought the nullification of the RTC Decision dated April 18, 2002 in the Reivindicatoria Case arguing that they should have been impleaded therein as actual occupants and possessors of the property and that Mariano concealed the fact that he was no longer the owner of the property since it

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[39] *Republic v. Acosta, et al.*, CA-G.R. SP No. 13238, February 11, 2022, penned by Associate Justice Roberto Patdu Quiroz and concurred in by Associate Justices Marilyn B. Lagura-Yap and Nancy C. Rivas-Palmones of the Twentieth Division, CA, Cebu City (Court of Appeals Database).

[40] *Rollo*, pp. 3268–3271. CA Resolution dated June 23, 2023 in CA-G.R. SP No. 13238 penned by Associate Justice Nancy C. Rivas-Palmones and concurred in by Associate Justices Marilyn B. Lagura-Yap and Mercedita G. Dadole-Ygnacio of the Special Former Twentieth Division, CA, Cebu City.

[41] *Id.* at 595–597.

[42] *Id.* at 3253, CA Decision dated June 23, 2023 in *Orbillos, Jr., et al. v. RTC, Branch 9, Cebu City*, (CA-G.R. SP No. 12553), whom the CA noted that Mazy's "manifested that it had purchased Lot 937 from respondent Mariano Godinez, and that it has already obtained a transfer certificate of title (TCT No. 107-2018002380) in its name" and thus prayed that it be substituted for Mariano Godinez.

had been the subject of an Expropriation Case initiated by the Republic. Mazy's, who had substituted Mariano, filed its Answer praying for the dismissal of the petition on the ground of *res judicata*. The case was dismissed by the CA on the ground that the AFP members' exclusion from the Reivindicatoria Case did not constitute extrinsic fraud because they were neither indispensable nor necessary parties thereto. As members of the AFP, their possession of the property was merely upon permission of the AFP and, thus, they were bound by the RTC-Br. 9's decision against the Republic.[43] The AFP members filed a Motion for Reconsideration which the CA denied on December 13, 2023.[44]

Despite the numerous cases filed seeking to forestall the implementation of the writs, the demolition of the houses standing on Lot 937 pushed through in September 2022 and was fully implemented by December 14, 2022.[45] Thus, the houses and structures purportedly owned by the AFP members and their families were demolished, leaving thereon only a building owned by the AFP Visayas Command.[46]

The Present Case:
Cancellation of Reconstituted Title

Parallel to the execution proceedings in the Reivindicatoria Case, the Republic, through the DND, filed on May 8, 2013 the present *Complaint* for cancellation of reconstituted title against

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[43] *Id.* at 3245–3266, CA Decision dated June 23, 2023 in CA-G.R. SP No. 12553, penned by Associate Justice Marilyn B. Lagura-Yap and concurred in by Associate Justices Bautista G. Corpin, Jr. and Nancy C. Rivas-Palmones of the Special Nineteenth Division, CA, Cebu City.

[44] Resolution dated December 13, 2023 in *Orbillos, Jr., et al. v. RTC, Branch 9, Cebu City*, CA-G.R. SP No. 12553, penned by Associate Justice Marilyn B. Lagura-Yap and concurred in by Associate Justices Bautista G. Corpin, Jr. and Nancy C. Rivas-Palmones of the Former Special Nineteenth Division, CA, Cebu City (Court of Appeals Database).

[45] *See rollo*, p. 1132, Supplemental Sheriff's Progress Report dated February 10, 2023.

[46] *Id.*

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Mariano and the Register of Deeds Cebu City.[47] The case was docketed as Civil Case No. CEB-39718[48] and raffled to Branch 12, RTC, Cebu City (RTC-Br. 12) (Cancellation Case).

As summarized by the CA:

In the Republic's *complaint*, it prayed for the nullification and cancellation of TCT RT-6757 covering Lot 937 in the name of herein appellee Mariano Godinez (Godinez for brevity) based on the following causes of action: (1) that the Republic is the rightful and lawful owner of a parcel of land known as Lot 937 of the Banilad Estate, originally covered by TCT No. 5306, pursuant to the expropriation complaint filed in 1938 and by virtue of an Order dated October 19, 1938 granting the expropriation case; (2) that the Government's possession and ownership of the subject property had been decided with finality by the Court of First Instance (CFI) of Cebu through a Partial Decision dated April 22, 1939; and (3) that notwithstanding the foregoing, Godinez caused the surreptitious reconstitution of title of the subject property. The Republic maintained that Godinez filed the petition for reconstitution of title over the subject property only on March 12, 1954, or 15 years after the expropriation proceedings in 1938 and payment of just compensation in favor of Godinez's father, Eutiquio Godinez. Said payment was made to the administratrix of his estate, his widow and Godinez'[s] mother, Felisa Sy Cip. The Republic also maintained that the land title of the subject property has not been encumbered, pledged or sold to any person, firm or association [ever since].

Maintaining its objection to the reconstituted TCT in favor of Godinez, the Republic averred that Godinez misrepresented that the subject property was in his possession and that the same has no lien and had not been expropriated by the Republic, thereby deliberately omitting/misrepresenting the fact that the same was previously condemned through . . . expropriation proceedings and was already placed in the possession of the Republic through a writ of possession long issued by the expropriation court in its favor. With the compliance of the Order dated October 19, 1938 by the expropriation court in the said expropriation case, the government is deemed the lawful possessor and owner of the subject property from then on after it had paid the

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[47] *Id.* at 180–199, Republic's Complaint dated March 18, 2013; *id.* at 1048, Joint Stipulation of Facts dated February 16, 2023.

[48] *Id.* at 1048, Joint Stipulation of Facts dated February 16, 2023.

amount of just compensation pursuant to the Partial Decision dated April 22, 1939.

The Republic contended that there was no mention of the Republic's possession of the subject property pursuant to the expropriation proceedings in 1938 in Godinez's petition for reconstitution. Due to such misrepresentation, the Republic, particularly the Department of National Defense (DND), as true and lawful owner and possessor of the subject property, was not notified thereof and accordingly deprived of its right to be heard or even to file an opposition to said petition for reconstitution.[49]

In support of its assertion that it had already paid the amount of just compensation for Lot 937 during the expropriation proceedings, the Republic attached a Provincial Voucher[50] which purportedly shows that Felisa acknowledged having received the amount of PHP 1,845.72 from the Republic in connection with the Expropriation Case.

Invoking the finality of the CA Decision in the Reivindicatoria Case, Mariano filed a *Motion to Dismiss* on grounds of violation of the rule against forum shopping, *res judicata*, estoppel, conclusiveness of judgment, lack of jurisdiction or lack of cause of action, prescription, and laches.[51]

On March 31, 2015, the RTC-Br. 12 granted Mariano's *Motion to Dismiss* and dismissed the case with prejudice.[52] It ruled, among other things, that any affirmative relief that it may grant would affect the validity of the expropriation and the ownership of Lot 937, which issues could no longer be reviewed.[53]

Aggrieved, the Republic appealed to the CA raising the lone issue of whether the case is barred by *res judicata*.[54]

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[49] *Id.* at 81–82, CA Decision dated March 20, 2020 in CA-G.R. CV No. 05860.

[50] *Id.* at 221, attached as Annex "I" of the Republic's Complaint dated March 18, 2013.

[51] *Id.* at 1049, Joint Stipulation of Facts dated February 16, 2023.

[52] *Id.* at 360–368, Order dated March 31, 2015 of the RTC-Br. 12 in Civil Case No. CEB-39718, penned by Presiding Judge Estela Alma A. Singco.

[53] *Id.* at 364–365.

[54] *Id.* at 83, CA Decision dated March 20, 2020 in CA-G.R. CV No. 05860.

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In its appeal,

> the Republic asserts that a wrongly reconstituted certificate of title, secured through fraud and misrepresentation in court proceedings cannot be the source of legitimate rights and benefits as [c]ourts cannot, and should not, reconstitute a spurious certificate of title and allow the continuous illegal proliferation and perpetuation thereof.
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> Pointing out fraud and misrepresentation in the case for reconstitution of title, the Republic harps on the alleged failure of Godinez to mention in his petition how the Republic came into possession of the subject property and the mode by which it was acquired through expropriation proceedings in 1938. Due to Godinez's misrepresentation, the Republic, particularly the Department of National Defense (DND), as true and lawful owner and possessor of the subject property, was not notified of the action taken against it and accordingly deprived of its right to be heard and to file an opposition to said petition for reconstitution.
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> The Republic prays that the appeal be given due course, and this case be remanded to the RTC for appropriate proceedings.[55]

It was when the Republic's appeal was pending with the CA that the sale of Lot 937 between Mariano and Mazy's transpired. By virtue thereof, Mazy's was joined in the appeal as a co-defendant-appellee.

On June 10, 2019, the Republic filed an *Urgent Omnibus Motion for the Issuance of a Status Quo Ante Order* which the CA denied for being moot.[56]

On March 20, 2020, the CA rendered the assailed Decision, which granted the Republic's appeal and remanded the case to the RTC-Br. 12. The CA held that equity and substantial justice demand that the Republic be given an opportunity to be heard, especially since the issue involves the validity and integrity of a Torrens certificate of title.[57] Following *Malixi v. Baltazar*,[58]

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[55] *Id.*

[56] *Id.*

[57] *Id.* at 84–85.

[58] 821 Phil. 423 (2017) [Per J. Leonen, Third Division].

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the CA ruled that the doctrine of finality and immutability of judgments may be relaxed if "its strict application would, in effect, circumvent and undermine the stability of the Torrens System of land registration," as in this case.[59]

Moreover, according to the CA, Section 11 of Republic Act No. 6732[60] provides that "[a] reconstituted title obtained by means of fraud, deceit or other machination is void *ab initio* as against the party obtaining the same and all persons having knowledge thereof."[61] Here, the Republic alleges that when the *Petition for Reconstitution* was filed, there was already an existing Decision dated November 18, 1938 expropriating the subject property together with other lots which were all inside the boundaries of Camp Lahug (now Camp Lapu-Lapu).[62] These properties were expropriated by the AFP "to carry out the development program of the Philippine Army as provided in the National Defense Act."[63] The subject property is supposedly contiguous to other properties where military facilities, structures, and installations reserved for military use can be found.[64] The Republic also asserts that in 1939, it complied with the court's order directing it to pay Mariano's predecessor-in-interest just compensation for the subject property,[65] as evidenced by a Provincial Voucher.[66] Further, Felisa's motion for payment and the court's order granting it explicitly state that the subject property "is now in [the] possession of plaintiff, Philippine Commonwealth," thereby belying Mariano's claim that he was in

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[59] *Rollo*, p. 85, CA Decision dated March 20, 2020 in CA-G.R. CV No. 05860.

[60] An Act Allowing Administrative Reconstitution of Original Copies of Certificates of Titles Lost or Destroyed Due to Fire, Flood and Other Force Majeure, Amending for the Purpose Section One Hundred Ten of Presidential Decree Numbered Fifteen Twenty-Nine and Section Five of Republic Act Numbered Twenty-Six, approved on July 17, 1989.

[61] *Rollo*, p. 86, CA Decision dated March 20, 2020 in CA-G.R. CV No. 05860.

[62] *Id.* at 87.

[63] *Id.*

[64] *Id.*

[65] *See id.*

[66] *Id.*

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possession of the property.[67] The CA ruled that these allegations deserve further examination in a full-blown trial on the merits.[68]

Further, the CA ruled that Republic Act No. 26[69] (or the Reconstitution Law) impliedly allows the non-application of *res judicata* in reconstitution cases. Section 19 of Republic Act No. 26 allows the cancellation of a reconstituted title notwithstanding the rule on *res judicata*.[70] The CA also found that there is no identity in the causes of action between the Reivindicatoria Case and the present Cancellation Case.[71] The main issue in the present Cancellation Case is the validity of the reconstituted title, which was not an issue in the Reivindicatoria Case which dealt with the question of ownership.[72] Moreover, according to the CA, it appears that the trial court in the Reconstitution Case apparently did not really scrutinize whether the documents presented by Mariano were competent sources of reconstitution under Section 2(f) of Republic Act No. 26.[73] A trial on the merits will allow the Republic and Mariano ample opportunity to present evidence in support of the nullity or validity of the reconstituted title.[74]

Finally, the CA ruled that Mariano's invocation of estoppel and prescription against the Republic has no merit.[75] The State cannot be bound by the negligence of its agents.[76] The Republic's action has not prescribed pursuant to Article 1410 of the Civil Code which provides that an "action or defense for the declaration of the inexistence of a contract does not prescribe."[77]

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67 *Id.*

68 *Id.*

69 An Act Providing a Special Procedure for the Reconstitution of Torrens Certificates of Title Lost or Destroyed, approved on September 25, 1946.

70 *Rollo*, p. 88, CA Decision dated March 20, 2020 in CA-G.R. CV No. 05860.

71 *Id.* at 90.

72 *Id.* at 89–90.

73 *Id.* at 90–91.

74 *Id.* at 91.

75 *Id.* at 91–92.

76 *Id.* at 91.

77 *Id.* at 92.

Mazy's filed a motion for reconsideration which the CA denied in its Resolution[78] dated September 30, 2021.

Hence, the present Petition.

Mazy's argues that the Cancellation Case is merely a re-litigation of issues already settled in the Reivindicatoria Case where Mariano was adjudged with finality to be the absolute owner of Lot 937. Thus, the present case is barred by *res judicata*. The Republic was also given a full opportunity to present evidence during the Reivindicatoria Case but failed to do so. Mazy's insists that the CA erroneously applied Section 19 of Republic Act No. 26 which provides that if the lost or destroyed title is subsequently found or recovered and the same is not in the name of the same person in whose favor the reconstituted title has been issued, the register of deeds should bring the matter to the court which shall order the cancellation of the reconstituted title. Considering that the reconstituted title was not issued in the name of another person, but remained in the name of the person who lost the title (i.e., the family of Mariano), Section 19 cannot be applied to the present case. Mazy's also raises that the Republic willfully submitted a false certificate of non-forum shopping by erroneously stating therein that the Reivindicatoria Case is an action for recovery of possession despite knowing that the latter pertained to Mariano's recovery of ownership of Lot 937. In addition, Mazy's assails the CA's finding that the Republic's action cannot be barred by prescription and estoppel.

In its Comment,[79] the Republic, through the OSG, claims that Mazy's mistakenly believes that it validly purchased Lot 937 from Mariano whose only proof of ownership is an erroneously reconstituted title when in fact the subject property—a military camp outside the commerce of man—belongs to the Republic by virtue of expropriation proceedings conducted in 1938. Countering the arguments of Mazy's, the Republic raises that the 1939 Partial Decision in the Expropriation Case takes precedence

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[78] *Id.* at 95–97.

[79] *Id.* at 465–533.

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and should prevail over the Decision dated April 18, 2002 in the Reivindicatoria Case, which is a void judgment. The Republic likewise insists that it is not seeking to recover ownership or possession of Lot 937 because it is already the true and lawful owner and possessor thereof since 1939. The Republic is merely seeking the nullification of the reconstitution proceedings and the issuance of TCT No. RT-6757 to Mariano considering that he fraudulently secured the title to the subject property despite the expropriation thereof and payment of just compensation to his mother Felisa. Contrary to the assertion of Mazy's, the Republic never wavered in objecting to Mariano's reconstituted title. The Republic, through the DND, was not notified of the reconstitution proceedings and was not a party to the case. Moreover, proof of payment of just compensation for Lot 937 has been found and is a supervening event which renders the supposed finality of the Reivindicatoria Case inequitable. Thus, *res judicata* cannot be applied to the present case and even if it does, the rule allows for certain exceptions. The CA also correctly applied Section 19 of Republic Act No. 26 because TCT No. 5306 was registered in the name of Eutiquio Godinez and not the "family of Mariano Godinez" as Mazy's asserts. Thus, the issuance of a reconstituted title which is attended by fraud is void *ab initio* and may be attacked at any time considering that it is not barred by the statute of limitations.

Given the complexity of the facts and issues presented and the intertwining of different cases involving the subject property, the Court found it proper to call the case for Oral Arguments. A Preliminary Conference was held on January 25, 2023 where the counsels for the parties were directed to coordinate with each other and submit to the Court a Stipulation of Facts, their respective Position Papers, and a map depicting Lot 937 and detailing, as of the filing of the Petition: (a) the lot area; (b) the portions occupied; (c) the identity of the occupants thereof; (d) the right by which they occupy the portions of the subject property; and (e) the structures found therein.[80]

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[80] *Id.* at 1136, Court's Advisory.

On February 17, 2023, in compliance with the Court's directive, the parties submitted a Joint Stipulation of Facts[81] as well as their respective Position Papers.[82]

The Court held Oral Arguments on February 22, 2023. In the course of the proceedings, the OSG stated that it had located the original Provincial Voucher in the records of the Expropriation Case, which was then inside the archives of the RTC of Cebu City.[83] During the hearing, the Court resolved to conduct an ocular inspection of Lot 937 and of the case records of both the Expropriation Case and the Reconstitution Case. Both parties likewise agreed to the conduct of the ocular inspection.

Immediately after the February 22, 2023 Oral Arguments, the Court directed the Executive Judge of the RTC, Cebu City to locate and take custody of the records in both the Expropriation Case and the Reconstitution Case, and to keep the same secure.[84] On February 28, 2023, the Executive Judge reported to the Court that he had already taken custody of the said records, as instructed, and has employed all security measures necessary to preserve their integrity and completeness, especially the Provincial Voucher.[85]

On March 16, 2023, Mazy's filed a Manifestation and Motion[86] objecting to the conduct of the ocular inspection and insisting that the present petition be resolved on the basis of the legal issues raised since factual issues are not the proper subject of a Rule 45 petition. In the alternative, Mazy's prayed that the present petition be dismissed, and the case be remanded to the RTC for further proceedings. In opposing the conduct of the ocular inspection, Mazy's argued that: (1) the decisions in the Reconstitution and Reivindicatoria Cases were judgments rendered by courts of

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81 *Id.* at 1006–1057.

82 *Id.* at 1058–1097, Republic's Position Paper; *id.* at 1098–1121, Mazy's Position Paper.

83 TSN, Oral Arguments, February 22, 2023, pp. 12–13.

84 *Rollo*, pp. 1173–1175, Court's Resolution dated February 22, 2023.

85 *Id.* at 1249, Report dated February 28, 2023.

86 *Id.* at 1180–1209.

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proper jurisdiction and cannot be invalidated; (2) Mazy's is an innocent purchaser for value and had the right to rely on the clean title of Mariano as well as the final and executory judgment in the Reivindicatoria Case; (3) the genuineness and due execution of the Provincial Voucher cannot be determined by a simple ocular inspection. According to Mazy's, the Provincial Voucher cannot be considered a public document under Section 19, Rule 132 of the Rules of Evidence and has not been authenticated in accordance with Section 20, Rule 19 of the same Rules. It likewise cannot be considered as an ancient document under Section 21, Rule 132 since it was not produced from a custody in which it would naturally be found if genuine. Custody here supposedly pertained to only two proper custodians: (1) the Provincial Treasurer of Cebu; or (2) Felisa or her heirs. Mazy's argued that, in fact, the Office of the Provincial Treasurer issued a Certification[87] that the purported Provincial Voucher is not found in its records. Meanwhile, Catalina Sun Diamante, Felisa's granddaughter, executed a Judicial Affidavit[88] attesting that the purported signature of Felisa appearing on the Voucher is a forgery as Felisa never signed her name as "Felisa Sy Cip," did not know how to read and write, and only spoke Chinese.

Despite Mazy's protestations, the Court conducted the ocular inspection of Lot 937 and the records of the Expropriation Case and the Reconstitution Case on March 23, 2023 where both parties were present and accounted for. The Court was able to personally examine the records of the Expropriation Case and the Provincial Voucher found therein. Likewise, the Court was able to inspect Lot 937 with the assistance of both parties, observing that the structures previously built thereon have already been demolished except for a building owned by the AFP Visayas Command, a portion of which apparently encroached on Lot 937. After the ocular inspection, the Court reiterated its directive to the parties to submit their Position Paper on Non-Stipulated Facts and their respective Legal Memorandum.

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[87] *Id.* at 1213, Certification dated February 16, 2023.

[88] *Id.* at 1214–1218.

On April 19, 2023, the Office of the Executive Judge transmitted to the Court the entire original records, with certified true copies, of the Expropriation Case and the Reconstitution Case.[89] These records were immediately secured by the Court.[90]

On July 19, 2023, Mazy's filed its Position Paper [Re: Matters Not Stipulated by the Parties][91] and its Memorandum[92] dated July 19, 2023. Thereafter, a Supplemental Position Paper[93] was filed on September 4, 2023. In fine, Mazy's argues that:

1. The Republic is barred from relitigating the same issues in this case because of the rule on *stare decisis*. The cases of *Valdehueza v. Republic*,[94] *Republic v. Lim*,[95] *Federated Realty Corporation v. CA*,[96] and *San Roque Realty and Development Corporation v. Republic*[97] have already established the Republic's failure to complete the expropriation of lots in the Banilad Friar Land Estates;[98]
2. The present case is barred by *res judicata* and forum shopping;[99]
3. The Republic is barred by estoppel by laches from pursuing the present case;[100]
4. Mazy's is an innocent purchaser for value;[101]

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[89] *Id.* at 1267, Transmittal Letter dated April 17, 2023.

[90] *Id.* at 1284–1286, Court's Resolution dated April 26, 2023.

[91] *Id.* at 2701–2753.

[92] *Id.* at 2754–2804.

[93] *Id.* at 3188–3195.

[94] *Supra* note 5.

[95] *Supra* note 5.

[96] *Supra* note 5.

[97] *Supra* note 5.

[98] *Rollo*, pp. 2769 and 2771, Mazy's Memorandum dated July 19, 2023.

[99] *Id.* at 2777–2779.

[100] *Id.* at 2788–2790.

[101] *Id.* at 2790–2796.

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5. The present petition must be resolved purely on legal grounds. The Court is not a trier of facts;[102] and

6. The Court cannot consider the Provincial Voucher as evidence.[103] It is not newly discovered evidence.[104] It was not formally offered in evidence.[105] It is a private document that should have been authenticated in accordance with the Rules on Evidence.[106]

Thus, Mazy's prays: (1) that the Petition be resolved on the basis of the legal issues raised in the pleadings; (2) that judgment be rendered reversing and setting aside the CA's Decision dated March 20, 2020 and Resolution dated September 30, 2021 and that the RTC-Br. 12's Order dated March 31, 2015 be reinstated.[107]

Meanwhile, the OSG filed its Position Paper (On Non-Stipulated Facts)[108] and its Legal Memorandum[109] dated July 20, 2023. It also filed a Supplemental Stipulation of Facts[110] on September 22, 2023. In summary, the OSG raised the following arguments:

1. The Court should settle all issues involving Lot 937;[111]

2. The Provincial Voucher is authentic;[112]

3. Lot 937 is a property of public dominion which is outside the commerce of man;[113]

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[102] *Id.* at 2796–2800.

[103] *Id.* at 2797.

[104] *Id.* at 2771–2773.

[105] *Id.* at 2797.

[106] *Id.* at 2798.

[107] *Id.* at 2800–2801.

[108] *Id.* at 2859–2887.

[109] *Id.* at 3058–3131.

[110] *Id.* at 3235–3243.

[111] *Id.* at 3070–3073, OSG's Legal Memorandum.

[112] *Id.* at 3073–3077.

[113] *Id.* at 3077.

4. The Reconstitution and Reivindicatoria Cases were filed by persons with no authority from Mariano;[114]

5. The reconstitution decision is void for lack of jurisdiction, in view of non-compliance with the requirements of Republic Act No. 26.[115] Further, the reconstitution petition did not allege and prove the fact of loss of the title sought to be reconstituted;[116]

6. The Reivindicatoria Case is void. The Expropriation Case takes precedence over the Reivindicatoria and Reconstitution Cases.[117] After the payment of just compensation, ownership of Lot 937 transferred to the Republic. Mariano and Mazy's cannot have a title greater than Eutiquio;[118]

7. Mazy's is not an innocent purchaser for value.[119] The innocent purchaser for value defense cannot be invoked when lands of the public domain are involved since they are inalienable and outside the commerce of man.[120] Estoppel does not operate against the State.[121] The national security and defense of the State outweigh the alleged rights of Mazy's.[122]

The OSG ultimately prays that the Court deny Mazy's Petition, declare as void the Reconstitution and Reivindicatoria Cases, cancel TCT No. 107-2018002380 issued in the name of Mazy's,

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[114] *Id.* at 3077–3078.

[115] *Id.* at 3078–3089.

[116] *Id.* at 3095–3096.

[117] *Id.* at 3096–3098.

[118] *Id.* at 3096.

[119] *Id.* at 3098–3115.

[120] *Id.* at 3098.

[121] *Id.* at 3098–3104.

[122] *Id.* at 3117.

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invalidate the sale of Lot 937 to Mazy's, and declare the Republic as the absolute owner of Lot 937.[123]

Issue

At first glance, it would appear that the main issue to be resolved in this case is merely whether the Reconstitution Case should be nullified for non-compliance with Republic Act No. 26.

However, it must be remembered that a court's jurisdiction over the issues of a case, or its power to determine matters disputed by the parties, is generally determined by the allegations in the parties' pleadings and submissions.[124] In this case, a close reading of the parties' submissions reveals that the controversy ultimately stems from the primordial issue of whether the Republic had paid the amount of just compensation in the Expropriation Case. On the one hand, the Republic's present *Complaint* essentially alleges that it made such payment, as evidenced by a Provincial Voucher, a copy of which it attached to its *Complaint*. Mariano's failure to disclose this fact in the Reconstitution Case supposedly amounts to fraud which warrants the nullification of the reconstitution proceedings, Mariano's TCT No. RT-6757, and all its derivative titles, if any.[125] On the other hand, Mazy's maintains that no such payment was made and that the Provincial Voucher is spurious. According to Mazy's, the Republic's failure to prove that it paid just compensation has been finally settled in the Reivindicatoria Case and can no longer be relitigated in the present case.

Clearly, therefore, this case centers on resolving the issue of whether the Republic had in fact paid the amount of just compensation for Lot 937. The intricate and complex web of interrelated and interdependent issues that arose from the passage of time and the Reconstitution Case, the Reivindicatoria Case, and the present Cancellation Case, all ultimately find its origin in the

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[123] *Id.* at 3120–3121.

[124] *See Denila v. Republic,* 877 Phil. 381, 444 (2020) [Per J. Gesmundo, Third Division], *citing Navaja v. De Castro*, 761 Phil. 142, 153 (2015) [Per J. Peralta, Third Division].

[125] *Rollo*, pp. 189–195, Republic's Complaint.

Expropriation Case. And, at the heart of the Expropriation Case is the determination of whether or not payment of just compensation had been made. Thus, the Court finds it indispensable to review the disposition of the Expropriation Case, given that its records are in the Court's custody, and determine its impact on the decisions rendered in the Reconstitution Case and the Reivindicatoria Case.

If the Court finds that the Republic had made such payment, then such operated to transfer ownership of Lot 937 to the Republic at that time. If so, then the Court must determine the current rights of both Mazy's and the Republic in view of the supervening events that had transpired since the time of such payment. As to the other issues raised by the parties (e.g., the authenticity and admissibility of the Provincial Voucher, *res judicata*, the validity of the decisions in the Reconstitution Case and the Reivindicatoria Case, Mazy's status as an innocent purchaser for value)—all these revolve around this central question.

Ruling

I. *Preliminary Procedural Matters*

Before the Court resolves the central issue pointed out earlier, there are several procedural matters which the Court must wade through.

A. *RTC's Jurisdiction*

Mazy's questions the RTC-Br. 12's jurisdiction, arguing that the Republic's *Complaint* is actually an action for annulment of judgment under Rule 47 as it seeks to nullify the judgment or order of the CFI that rendered a decision in the Reivindicatoria Case. Mazy's asserts that the RTC-Br. 12 has no jurisdiction as it cannot interfere with, much less annul, the orders or judgments of a co-equal court, owing to the doctrine of judicial stability or non-interference.[126]

The Court is not convinced and will lay to rest any doubts on the RTC-Br. 12's jurisdiction in this case.

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[126] *Id.* at 64–65, Petition for Review.

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It is basic that jurisdiction over the subject matter of a case is conferred by law and determined by the allegations in the complaint which comprise the ultimate facts constituting the plaintiff's cause of action.[127] The nature of an action and which court has jurisdiction over it are determined based on the allegations and relief sought in the complaint.[128]

In *Denila v. Republic*,[129] the Court clarified that subject matter jurisdiction is only one of the several aspects of a court's jurisdiction. In order to exercise its powers validly and with binding effect, the court must also have jurisdiction over the issues, which the Court explained in this wise:

> Jurisdiction is the basic foundation of judicial proceedings. It is simply defined as the power and authority — conferred by the Constitution or statute — of a court to hear and decide a case. Without jurisdiction, a judgment rendered by a court is null and void and may be attacked anytime. Indeed, a void judgment is no judgment at all — it can neither be the source of any right nor the creator of any obligation; all acts performed pursuant to it and all claims emanating from it have no legal effect.
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> In adjudication, the concept of jurisdiction has several ***aspects***, namely: (a) jurisdiction over the **subject matter**; (b) jurisdiction over the **parties**; (c) jurisdiction over the **issues** of the case; and (d) in cases involving property, jurisdiction over the ***res*** or the **thing** which is the subject of the litigation. Additionally, a court must also acquire jurisdiction over the **remedy** in order for it to exercise its powers validly and with binding effect.
>
> . . . Third, jurisdiction over the issues pertains to a tribunal's power and authority to decide over matters which are either disputed by the parties or simply under consideration. This aspect of jurisdiction is closely tied to jurisdiction over the remedy and over the subject matter which, in turn, is generally determined in the allegations of the initiatory pleading (complaint or petition) and not the result of proof. However,

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[127] *Padlan v. Spouses Dinglasan*, 707 Phil. 83, 91 (2013) [Per J. Peralta, Third Division].

[128] *Id.* at 91.

[129] *Supra* note 124.

unlike jurisdiction over the subject-matter, jurisdiction over the issues may be conferred by either express or implied consent of the parties.[130] (Emphasis in the original; citations omitted)

From Mazy's arguments, it appears that it is questioning the RTC-Br. 12's exercise of jurisdiction over both the subject matter and the issues raised in this case.

At the time of the filing of the complaint, Batas Pambansa Blg. 129,[131] as amended, granted the RTC with exclusive original jurisdiction —

"(1) In all civil actions in which the subject of the litigation is **incapable of pecuniary estimation**;

"(2) In all civil actions **which involve the title to**, or possession of, **real property**, or any interest therein, where the assessed value of the property involved exceeds [PHP 300,000.00] or for civil actions in Metro Manila, where such value exceeds [PHP400,000.00] except actions for forcible entry into and unlawful detainer of lands or buildings, original jurisdiction over which is conferred upon the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts[.][132] (Emphasis supplied)

Before examining the Republic's *Complaint*, the Court first lays down the applicable legal principles.

In *First Sarmiento Property Holdings, Inc. v. Philippine Bank of Communications*,[133] the Court *en banc* ruled that the nature of an action is determined by the principal relief sought in the complaint. The Court distinguished the "nature of the principal action or remedy" from its consequences. Thus, an action involving the recovery of a sum of money may not necessarily be capable of pecuniary estimation if it is merely a consequence of

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[130] *Id.* at 443–445.

[131] An Act Reorganizing the Judiciary, Appropriating Funds Therefor, and for Other Purposes, otherwise known as "The Judiciary Reorganization Act of 1980," approved on August 14, 1981.

[132] Batas Pambansa Blg. 129, sec. 19, as amended by Republic Act No. 7691.

[133] 833 Phil. 400 (2018) [Per J. Leonen, *En Banc*].

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a primary relief, such as an action for support or for foreclosure of mortgage, which cannot be estimated in terms of money and are therefore actions that are incapable of pecuniary estimation.[134] Moreover, "if the primary cause of action is based on a claim of ownership or a claim of legal right to control, possess, dispose, or enjoy such property, the action is a real action involving title to real property."[135]

Now looking at the Republic's *Complaint*, it is evident that the Republic essentially alleges that: (1) it is the "rightful and lawful owner" of Lot 937, having already expropriated the same and paid the corresponding amount of just compensation in 1939; (2) Mariano did not disclose this fact, among other things, to the CFI in the Reconstitution Case; and (3) such failure amounts to fraud which warrants the nullification of Mariano's TCT No. RT-6757, and all its derivative titles, if any.[136] Notably, the Republic did not pray that title to the property be reconveyed to it. It simply prayed for a judgment:

1. To declare as null and void and to order the cancellation of TCT No. RT-6757 covering Lot 937 in the name of defendant Mariano Godinez, as well as its derivative titles, if any;

2. To order defendant Mariano Godinez or any person in possession of the owner's copy of said TCT No. RT-6757 to surrender the same to the Registrar of Deeds of Cebu City;

3. For the Register of Deeds of Cebu City to cause the cancellation of TCT No. RT-6757 as well as of all its derivative titles, if there are any; and

4. To order defendant Mariano Godinez to pay the costs of suit as well as all the damages suffered by the plaintiff.

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[134] *Id.* at 419, *citing Lapitan v. Scandia, Inc.*, 133 Phil. 526, 528 (1968) [Per J. J.B.L. Reyes, *En Banc*].

[135] *Id.* at 420, *citing Heirs of Generoso Sebe v. Heirs of Veronica Sevilla*, 618 Phil. 395, 407 (2009) [Per J. Abad, Second Division].

[136] *See rollo*, pp. 189–194, Republic's Complaint.

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Other reliefs just and equitable under the premises are likewise prayed for.[137]

Based on the foregoing allegations, the Court is convinced that the *Complaint* is one that involves title to real property, not one that is incapable of pecuniary estimation. The principal relief sought is the cancellation of Mariano's title and any of its derivative titles on the ground of fraud supposedly perpetrated in the Reconstitution Case. This theory is premised on the Republic's assertion of ownership over Lot 937.

The next question that comes to fore is whether the assessed value of the subject property falls within the RTC's jurisdiction.

The general rule in real actions is that the complaint must allege the property's assessed value to determine which between the RTCs and the first-level courts have jurisdiction over the same.[138] Strict compliance with this rule, however, may be relaxed if the assessed value of the property, though not alleged in the complaint, can be identified from the documents annexed to the complaint.[139]

Here, while the assessed value of Lot 937 was not alleged in the Republic's *Complaint*, the same can be found in the Reivindicatoria *Complaint* attached as Annex "P" thereof,[140] which states that the assessed value of the property is PHP 3,460,730.00.[141] This value places the action within the RTC's jurisdiction.

As to Mazy's argument on judicial stability and non-interference, this also has no merit.

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[137] *Id.* at 196.

[138] *See Gabrillo v. Heirs of Olimpio Pastor*, 864 Phil. 261, 267 (2019) [Per J. J. Reyes, Jr., Second Division].

[139] *Id.* at 269, *citing Foronda-Crystal v. Son*, 821 Phil. 1033, 1046 (2017) [Per J. Reyes, Jr., Second Division] and *Tumpag v. Tumpag*, 744 Phil. 423, 430–431 (2014) [Per J. Brion, Second Division].

[140] *See rollo*, p. 188, Republic's Complaint; *id.* at 560, Reivindicatoria Complaint.

[141] *Id.* at 560.

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A similar issue was raised in the case of *Spouses Aboitiz v. Spouses Po*,[142] which stemmed from a complaint filed with the RTC to recover land and to nullify the corresponding Original Certificate of Title issued pursuant to a final decision of another RTC acting as land registration court. The RTC ruled in favor of the plaintiffs and nullified the title of the defendants. One of the issues raised before the Court was whether the RTC had jurisdiction to nullify the final and executory decision of the land registration court, considering that only the CA has the jurisdiction to annul judgments of the RTCs. The Court ruled that based on the plaintiffs' complaint, their action was not an action to annul the judgment of the land registration court, but one for reconveyance and annulment of title. Therefore, the RTC had jurisdiction over the case. In so ruling, the Court distinguished these three actions, *viz.*:

> The Spouses Aboitiz argue that Branch 55, Regional Trial Court did not have jurisdiction to nullify the final and executory Decision of Branch 28, Regional Trial Court in LRC Case No. N-208. They claim that . . . it is the Court of Appeals that has jurisdiction to annul judgments of the Regional Trial Court.
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> However, the instant action is not for the annulment of judgment of a Regional Trial Court. It is a complaint for reconveyance, cancellation of title, and damages.
>
> A complaint for **reconveyance** is an action which admits the registration of title of another party but claims that such registration was erroneous or wrongful. It seeks the transfer of the title to the rightful and legal owner, or to the party who has a superior right over it, without prejudice to innocent purchasers in good faith. It seeks the transfer of a title issued in a valid proceeding. The relief prayed for may be granted on the basis of intrinsic fraud—fraud committed on the true owner instead of fraud committed on the procedure amounting to lack of jurisdiction.
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> An action for **annulment of title** questions the validity of the title because of lack of due process of law. There is an allegation of nullity in the procedure and thus the invalidity of the title that is issued.
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> . . . .

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[142] 810 Phil. 123 (2017) [Per J. Leonen, Second Division].

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While the Court of Appeals has jurisdiction to annul judgments of the Regional Trial Courts, the case at bar is not for the annulment of a *judgment* of a Regional Trial Court. It is for reconveyance and the annulment of *title*.

The difference between these two (2) actions was discussed in *Toledo v. Court of Appeals*:

> An action for **annulment of judgment** is a remedy in equity so exceptional in nature that it may be availed of only when other remedies are wanting, and only if the judgment, final order or final resolution sought to be annulled was rendered by a court lacking jurisdiction or through extrinsic fraud. An action for **reconveyance**, on the other hand, is a legal and equitable remedy granted to the rightful owner of land which has been wrongfully or erroneously registered in the name of another for the purpose of compelling the latter to transfer or reconvey the land to him. The Court of Appeals has exclusive original jurisdiction over actions for annulment or judgments of Regional Trial Courts whereas actions for reconveyance of real property may be filed before the Regional Trial Courts or the Municipal Trial Courts, depending on the assessed value of the property involved.
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> . . . .
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> Petitioners allege that: first, they are the owners of the land by virtue of a sale between their and respondents' predecessors-in-interest; and second, that respondents Ramoses and ARC Marketing illegally dispossessed them by having the same property registered in respondents' names. Thus, far from establishing a case for annulment of judgment, the foregoing allegations clearly show a case for reconveyance.

As stated, a complaint for reconveyance is a remedy where the plaintiff argues for an order for the defendant to transfer its title issued in a proceeding not otherwise invalid. The relief prayed for may be granted on the basis of intrinsic rather than extrinsic fraud; that is, fraud committed on the real owner rather than fraud committed on the procedure amounting to lack of jurisdiction.

An action for annulment of title, on the other hand, questions the validity of the grant of title on grounds which amount to lack of due process of law. The remedy is premised in the nullity of the procedure and thus the invalidity of the title that is issued. Title that is invalidated as a result of a successful action for annulment against the decision of a

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Regional Trial Court acting as a land registration court may still however be granted on the merits in another proceeding not infected by lack of jurisdiction or extrinsic fraud if its legal basis on the merits is properly alleged and proven.

Considering the Spouses Aboitiz's fraudulent registration without the Spouses Po's knowledge and the latter's assertion of their ownership of the land, their right to recover the property and to cancel the Spouses Aboitiz's title, the action is for reconveyance and annulment of title and not for annulment of judgment.[143] (Emphasis supplied; citations omitted)

In *Heirs of Procopio Borras v. Heirs of Eustaquio Borras*,[144] a certain Eustaquio Borras filed a petition for reconstitution of title before the CFI, alleging that the title to a certain lot owned by his grandfather had been lost. The CFI granted the petition. However, it not only reconstituted the lost title, but it also directed that the same be cancelled and a new one be issued in favor of Eustaquio. When Eustaquio's other co-heirs found out what he did, they ultimately filed a petition for annulment of judgment under Rule 47 with the CA to assail the CFI's order. One of the issues that reached the Court was whether an annulment of judgment was the proper remedy of the co-heirs. The Court ruled in the negative, holding that the proper remedy was an action for reconveyance. The Court held that the CFI's order to transfer the title to Eustaquio was rendered in the exercise of its jurisdiction, and any error therein, even if it amounts to grave abuse of discretion, cannot be the subject of a petition under Rule 47. Thus:

Annulment of judgment may either be based on the ground that a judgment is void for want of jurisdiction or that the judgment was obtained by extrinsic fraud. It is a remedy in equity so exceptional in nature that it may be availed of only when other remedies are wanting.

Lack of jurisdiction as a ground for annulment of judgment refers to either lack of jurisdiction over the person of the defending party or over the subject matter of the claim. In a petition for annulment of judgment based on lack of jurisdiction, petitioner must show not merely an abuse

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[143] *Id.* at 137–141.

[144] G.R. No. 213888, April 25, 2022 [Per J. Hernando, Second Division].

of jurisdictional discretion but an absolute lack of jurisdiction. Lack of jurisdiction means absence of or no jurisdiction, that is, the court should not have taken cognizance of the petition because the law does not vest it with jurisdiction over the subject matter. Jurisdiction over the nature of the action or subject matter is conferred by law.

The petitioner cannot rely on jurisdictional defect due to grave abuse of discretion, but on absolute lack of jurisdiction. The concept of lack of jurisdiction as a ground to annul a judgment does not embrace grave abuse of discretion amounting to lack or excess of jurisdiction.

In this case, there is no question that the then CFI had jurisdiction over the petition for reconstitution at inception. Petitioners argue that the order of the CFI in cancelling OCT No. [NA] 2097 and directing the issuance of a new TCT in favor of Eustaquio was in excess and was beyond the scope of a reconstitution case. The purpose of a reconstitution action is merely to reproduce a certificate of title, after proper proceedings, in the same form it was when it was lost or destroyed. Hence, in such action, a trial court cannot order the cancellation of the original title nor direct the issuance of a new TCT in favor of another.

. . . .

Clearly, the reconstitution of a certificate of title denotes restoration in the original form and condition of a lost or destroyed instrument attesting the title of a person to a piece of land. The purpose of the reconstitution of title is to have, after observing the procedures prescribed by law, the title reproduced in exactly the same way it has been when the loss or destruction occurred. A reconstitution of title does not pass upon the ownership of land covered by the lost or destroyed title but merely determines whether a re-issuance of such title is proper.

Here, while there is no question that the CFI acted in excess of its jurisdiction when it went beyond ordering the reconstitution of OCT No. [NA] 2097 by ordering its cancellation, and directing the issuance of a new TCT in favor of Eustaquio, nevertheless, such order of the CFI was done in the exercise of its jurisdiction and not the lack thereof.

Jurisdiction is not the same as the exercise of jurisdiction. As distinguished from the exercise of jurisdiction, jurisdiction is the authority to decide a cause, and not the decision rendered therein. Where there is jurisdiction over the person and the subject matter, the decision on all other questions arising in the case is but an exercise of the jurisdiction. And the errors which the court may commit in the exercise of jurisdiction are merely errors of judgment which are the proper subject of an appeal.

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> The lack of jurisdiction envisioned in Rule 47 is the total absence of jurisdiction over the person of a party or over the subject matter. When the court has validly acquired its jurisdiction, annulment through lack of jurisdiction is not available when the court's subsequent grave abuse of discretion operated to oust it of its jurisdiction.
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> . . . .
>
> The proper recourse for petitioners should have been to file an action for reconveyance. This is a legal and equitable remedy granted to the rightful owner of land which has been wrongfully or erroneously registered in the name of another for the purpose of compelling the latter to transfer or reconvey the land to him. In an action for reconveyance, the decree of registration is respected as incontrovertible. What is sought instead is the transfer of the property, which has been wrongfully or erroneously registered in another person's name, to its rightful and legal owner, or to one with a better right.[145] (Citations omitted)

In *Estate of Deceased Spouses Jose Francia and Maura Rivera v. Tan*,[146] the Court affirmed the nullification of a reconstituted title which was ordered by the RTC in an action for quieting of title and reconveyance.

From the foregoing authorities, it is clear that a void reconstituted title issued pursuant to the order of the CFI or RTC may be assailed before another RTC through an action for reconveyance, annulment of title, or quieting of title, and not necessarily through a petition under Rule 47. What is controlling is the nature of the action as determined by the allegations in the complaint.

In this case, the Republic's *Complaint* prays for the cancellation and nullification of Mariano's reconstituted title based on fraud committed by Mariano during the reconstitution proceedings. It does not seek to nullify the decision in the Reconstitution Case based on lack of jurisdiction or extrinsic fraud. Since the Republic's complaint involves title to real property and is not in

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[145] *Id.* at 6–9. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[146] G.R. No. 225687, November 21, 2018 [Notice, First Division].

the nature of an action for annulment of judgment, the RTC-Br. 12 has jurisdiction over the subject matter of the complaint.

B. *Res Judicata*

Another threshold question that confronts the Court is whether the Court may resolve the question of whether the Republic had in fact paid the amount of just compensation for Lot 937, in the face of the decision in the Reivindicatoria Case which has already attained finality. Mazy's invokes *res judicata*, given the finality of the decision in the Reivindicatoria Case, in arguing that this issue can no longer be determined in this case.[147]

The Court is not persuaded.

Ordinarily, the finality of the decision in the Reivindicatoria Case should already trigger the doctrine of immutability of judgments and the principle of *res judicata* by prior judgment. In which case, the Republic would be barred from relitigating the question of ownership over Lot 937. More particularly, the Republic would not be allowed to renew its claim of ownership by now presenting the Provincial Voucher as proof of payment of just compensation, especially when it appears that it had a fair opportunity to do so during the trial in the Reivindicatoria Case.

However, the doctrine of immutability of judgments and the principle of *res judicata* are not absolute. In many cases, the Court has relaxed them to prevent a miscarriage of substantial justice.[148] More importantly, it is settled that these principles do not apply in favor of a void judgment.[149]

The Court expounds.

The doctrine of immutability of judgment means that "a decision that has acquired finality becomes immutable and unalterable, and

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[147] *See rollo*, pp. 51–58, Petition for Review.

[148] *See Heirs of Maura So v. Obliosca*, 566 Phil. 397, 408 (2008) [Per J. Nachura, Third Division].

[149] *See Titan Dragon Properties Corp. v. Veloso-Galenzoga*, G.R. No. 246088, April 28, 2021, 981 SCRA 188 [Per J. Zalameda, First Division].

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may no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact and law."[150] Thus, said final decision can no longer be attacked or modified, directly or indirectly, even by this Court.[151] Nonetheless, the rule is procedural and may be relaxed to serve substantial justice.[152] This is because procedural rules were designed to facilitate and promote substantial justice, not frustrate it.[153] The Court's ruling in *Barnes v. Padilla*[154] is instructive:

> Phrased elsewise, **a final and executory judgment can no longer be attacked** by any of the parties or be modified, directly or indirectly, even by the highest court of the land.
>
> However, **this Court has relaxed this rule in order to serve substantial justice considering (a) matters of life, liberty, honor or property, (b) the existence of special or compelling circumstances, (c) the merits of the case**, (d) a cause not entirely attributable to the fault or negligence of the party favored by the suspension of the rules, (e) a lack of any showing that the review sought is merely frivolous and dilatory, and (f) the other party will not be unjustly prejudiced thereby.
>
> Invariably, **rules of procedure should be viewed as mere tools designed to facilitate the attainment of justice**. Their strict and rigid application, which would result in technicalities that tend to frustrate rather than promote substantial justice, must always be eschewed. Even the Rules of Court reflects this principle. The power to suspend or even disregard rules can be so pervasive and compelling as to alter even that which this Court itself had already declared to be final.
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> In *De Guzman vs. Sandiganbayan*, this Court, speaking through the late Justice Ricardo J. Francisco, had occasion to state:

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[150] *Re: Adoption of Karen Herico Licerio*, 843 Phil. 647, 654 (2018) [Per J. A. Reyes, Jr., Second Division]. (Citation omitted)

[151] *Barnes v. Padilla*, 482 Phil. 903, 915 (2004) [Per J. Austria-Martinez, Second Division], *citing Teodoro v. Court of Appeals*, 437 Phil. 336, 346 (2002) [Per J. Ynares-Santiago, First Division] and *Pascual v. Court of Appeals*, 360 Phil. 403, 414 (1998) [Per J. Panganiban, First Division].

[152] *See Civil Service Commission v. Moralde*, 838 Phil. 840, 858 (2018) [Per J. Leonen, Third Division], *citing Barnes v. Padilla, id.* at 915.

[153] *See Barnes v. Padilla, id.*

[154] *Supra* note 151.

> **The Rules of Court was conceived and promulgated to set forth guidelines in the dispensation of justice but not to bind and chain the hand that dispenses it, for otherwise, courts will be mere slaves to or robots of technical rules, shorn of judicial discretion.** That is precisely why courts in rendering justice have always been, as they ought to be guided by the norm that when on the balance, technicalities take a backseat against substantive rights, and not the other way around. **Truly then, technicalities, in the appropriate language of Justice Makalintal, "should give way to the realities of the situation."**[155] (Emphasis supplied; citations omitted)

On the other hand, the principle of *res judicata*—which means "a matter adjudged; a thing judicially acted upon or decided; a thing or matter settled by judgment"[156]—provides that "an existing final judgment or decree rendered on the merits, without fraud or collusion, by a court of competent jurisdiction, upon any matter within its jurisdiction, is conclusive of the rights of the parties or their privies, in all other actions or suits in the same or any other judicial tribunal of concurrent jurisdiction on the points and matters in issue in the first suit."[157] *Res judicata* embraces two concepts: bar by prior judgment and conclusiveness of judgment.[158]

Res judicata under the first concept or as a bar against the prosecution of a second action exists when there is identity of parties, subject matter, and cause of action in the first and second actions.[159] Under the concept of *res judicata* as "conclusiveness of judgment," when there is identity of parties in the first and second cases, but no identity of causes of action, "the first

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[155] *Id.* at 915–916.

[156] *Monterona v. Coca-Cola Bottlers Philippines, Inc.*, 845 Phil. 556, 563 (2019) [Per J. J. Reyes, Jr., Second Division], *citing Sps. Selga v. Brar*, 673 Phil. 581, 591 (2011) [Per J. Leonardo-de Castro, First Division].

[157] *Monterona v. Coca-Cola Bottlers Philippines, Inc., id.* at 563, *citing Sps. Selga Brar, id*. at 591.

[158] *Sps. Selga v. Brar, id.* at 592.

[159] *Id.*

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judgment is conclusive only as to those matters actually and directly controverted and determined and not as to matters merely involved therein. . . . Stated differently, any right, fact, or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which judgment is rendered on the merits is conclusively settled by the judgment therein and cannot again be litigated between the parties and their privies whether or not the claim, demand, purpose, or subject matter of the two actions is the same."[160]

But again, since it is also a procedural rule, *res judicata* may be relaxed for the broader interests of substantial justice. In *Aledro-Ruña v. Lead Export and Agro-Development Corp.*[161] *(Aledro-Ruña)*, the Court acknowledged that:

> **The broader interest of justice as well as the circumstances of the case justifies the relaxation of the rule on *res judicata*.** The Court is not precluded from re-examining its own ruling and rectifying errors of judgment if blind and stubborn adherence to *res judicata* would involve the sacrifice of justice to technicality. **This is not the first time that the principle of *res judicata* has been set aside in favor of substantial justice, which is after all the avowed purpose of all law and jurisprudence.** Therefore, petitioner is not barred from filing a subsequent case of similar nature.[162] (Emphasis supplied; citation omitted)

Aside from *Aledro-Ruña*, the Court has previously relaxed the *res judicata* rule for the sake of substantial justice in other cases: *De Leon v. Balinag*,[163] *Heirs of the late Lourdes Dionisio-Galian v. Dionisio*,[164] and *Agrarian Reform Beneficiaries Association (ARBA) v. Fil-Estate Properties, Inc.*[165]

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[160] *Oropeza Marketing Corp. v. Allied Banking Corp.*, 441 Phil. 551, 564 (2002) [Per J. Quisumbing, Second Division]. (Citations omitted)

[161] 836 Phil. 946 (2018) [Per J. Gesmundo, Third Division].

[162] *Id.* at 961.

[163] 530 Phil. 299 (2006) [Per J. Ynares-Santiago, First Division].

[164] G.R. No. 247856, June 16, 2021 [Notice, First Division].

[165] 766 Phil. 382 (2015) [Per J. Jardeleza, Third Division].

The present case involves a 4.6-hectare parcel of land which is claimed by the Republic by virtue of the expropriation proceedings which had long been concluded. The dispute over Lot 937 has spanned for decades and has resulted in several cases. In the meantime, numerous residents of Lot 937 have been displaced in the execution of the decision in the Reivindicatoria Case. After many years, the document which is part of extant judicial records that would irrefutably prove that the Republic had paid the full amount of just compensation for Lot 937 has surfaced. To be sure, if there was a final and executory finding in the Expropriation Case with respect to full payment of the just compensation for Lot 937 and its receipt by the owner thereof, then such finding would itself constitute *res judicata* as to the ownership issue in the Reivindicatoria Case and the issue of the capacity of Mariano to institute the Reconstitution Case. Given these special circumstances, the broader interest of substantial justice will be better served with the relaxation of the procedural rules. The truth cannot be suppressed and must prevail, and the Court is duty-bound to put to rest all uncertainty on the ownership of Lot 937. In this light, the Court finds it unnecessary to discuss the other procedural issues of forum shopping and *stare decisis* raised by Mazy's.

Before proceeding to the next point, the Court notes that the Republic has thus far failed to sufficiently explain why it was not able to present the Provincial Voucher during the proceedings in the Reivindicatoria Case. The Republic explained that it failed to present the Provincial Voucher because of "unavailability of records"[166] and because "[it] could not be found."[167] According to the Republic, it was only sometime in 2012 that the OSG was informed by the DND that the Provincial Voucher had been found through the efforts of the occupants of Lot 937.[168]

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[166] *Rollo*, p. 490, Republic's Comment.

[167] TSN, Oral Arguments, February 22, 2023, p. 45.

[168] *Id.* at 71–72.

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However, as pointed out by Mazy's,[169] the Republic was able to present in evidence in the Reivindicatoria Case several documents that were part of the records of the Expropriation Case.[170] These include the Complaint dated August 15, 1938, the Order dated October 19, 1938, and the Partial Decision dated April 22, 1939.[171] This means that, if the Provincial Voucher is indeed authentic and part of the Expropriation Case records, then the Republic had access to it and could have presented it during the trial in the Reivindicatoria Case had it exercised reasonable diligence. Therefore, the Provincial Voucher could not be considered as newly discovered evidence.[172]

The points raised by Mazy's are well-taken. The Court does not condone the observable negligence of the Republic in failing to present the Provincial Voucher in the Reivindicatoria Case despite apparently having access to the Expropriation Case records. However, in view of the Court's relaxation of the doctrine of immutability of judgments and the principle of *res judicata*, there would be no point in delving into whether the Provincial Voucher constitutes newly discovered evidence and whether the Republic's negligence or error in failing to present the same in the Reivindicatoria Case is binding upon it.

On hindsight, the RTC-Br. 9 (which decided the Reivindicatoria Case) or both of the parties therein could have easily had the records of the Expropriation Case subpoenaed, given that the latter pertained to a CFI branch in Cebu City and the records should have been in the archives since the Republic was able to present portions thereof. Had the entire records of the Expropriation Case been presented or made available in the Reivindicatoria Case, the Provincial Voucher would have surfaced and the claim of non-payment of just compensation debunked. But the presentation of the elusive Provincial Voucher did not come to pass at that time.

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[169] *Rollo*, p. 2772, Mazy's Memorandum dated July 19, 2023.

[170] *Id.*

[171] *Id.*

[172] *Id.* at 2773.

As will be detailed below, this Provincial Voucher has surfaced in the present proceedings. Surely, this will also have an effect on the decision in the Reivindicatoria Case, specifically on the very issue of ownership.

C. *Judicial Notice*

Another matter which the Court is confronted with is whether it can take judicial notice of the case records of both the Expropriation Case and the Reconstitution Case. The answer is a simple yes. Indeed, what value is there for the Court to have ordered the Executive Judge of the RTC, Cebu City to locate and take custody of the records of both the Expropriation Case and the Reconstitution Case, to keep the same secure, and to transmit them, with certified true copies, to the Court if the Court cannot take judicial notice of these records.

Rule 129, Section 1 of the Revised Rules on Evidence[173] provides that mandatory judicial notice shall be taken of the official acts of the judicial department of the Philippines:

> Section 1. *Judicial notice, when mandatory*. – A court shall take judicial notice, without the introduction of evidence, of the existence and territorial extent of states, their political history, forms of government and symbols of nationality, the law of nations, the admiralty and maritime courts of the world and their seals, the political constitution and history of the Philippines, **official acts of the** legislative, executive and **judicial departments of the National Government of the Philippines**, the laws of nature, the measure of time, and the geographical divisions. (1a) (Emphasis supplied)

In *Republic v. Court of Appeals*,[174] the Court cited this provision in ruling that courts may take judicial notice of the

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[173] A.M. No. 19-08-15-SC, 2019 Proposed Amendments to the Revised Rules on Evidence (2020).

[174] 343 Phil. 428, 437 (1997) [Per J. Vitug, First Division], *citing* 4 JUSTICE EDGARDO L. PARAS, RULES OF COURT ANNOTATED 52 (1991 ed.), *cited in Pryce Corp. v. Ponce*, G.R. No. 206863, March 22, 2023 [Per J. Hernando, First Division], *further citing Estate of Bueno v. Peralta, Jr.*, G.R. No. 248521, August 1, 2022 [Per J. Lopez, J., Second Division]. *See also Flight Attendants and Stewards Ass'n. of the Phils. v. PAL, Inc.*, 827 Phil.

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record of another case in another court involving one of the parties. In that case, cadastral proceedings were pending in court and a certain Josefa Gacot (Josefa) claimed an unidentified portion of the subject lot. During the proceedings, the Land Registration Authority called the attention of the cadastral court to a decision of a CFI which declared a portion of the lot to be the property of the Republic. However, the CFI decision, though presented in evidence, was not formally offered by the Republic. Thus, the cadastral court ruled in favor of Josefa. The CA affirmed the cadastral court's order, ruling that it could not take judicial notice of the CFI decision. On appeal, the Court overruled the CA and held that it should have taken judicial notice of the CFI decision. The Court thus remanded the case to the cadastral court to identify the portions being claimed by the parties and resolve their conflicting claims. Thus:

> An appeal was taken by the Republic from the decision of the trial court. In its now assailed decision of 22 February 1995, the Court of Appeals affirmed *in toto* the judgment of the trial court. The appellate court ratiocinated:
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> . . . .
>
> "It is the rule that 'The court shall consider no evidence which has not been formally offered.' (Rule 132, Sec. 34) It is true that the Order of 20 October 1950 has been appended to the records of this case (see p. 19, Rec). But it is misleading on the part of the Solicitor General to state that 'Records of the rehearing show that on October 20, 1950, an order was, indeed, issued by Judge Lorenzo C. Garlitos . . .' For, during the rehearing, as reflected in the appealed decision, the government did not present any evidence nor any memorandum despite having been ordered by the court *a quo*.
>
> "Neither can We take judicial notice of the Order of Judge Garlitos. As a general rule, courts are not authorized to take judicial knowledge of the contents of the record of other cases,

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680, 742 [Per J. Bersamin, *En Banc*] *citing Clarion Printing House, Inc. v. National Labor Relations Commission*, 500 Phil. 61, 81 (2005) [Per J. Carpio Morales, Third Division].

> in the adjudication of cases pending before them, even though the trial judge in fact knows or remembers the contents thereof, or even when said other cases have been heard or are pending in the same court and notwithstanding the fact that both cases may have been heard or are really pending before the same judge. (Municipal Council *v.* Colegio de San Jose, et al., G.R. No. L-45460; 31 C.J.S. 623-624; cited in p. 25 Evidence, Second Ed.; R.J. Francisco) Indeed, the Government missed its opportunity to have the claim of Josefa Gacot, the herein appellee, declared as a nullity, considering that no evidence was presented by it in opposition thereto."

. . . .

Let it initially be said that, indeed, the Court realizes the points observed by the appellate court over which there should be no quarrel. *Firstly*, that the rules of procedure and jurisprudence, do not sanction the grant of evidentiary value, in ordinary trials, of evidence which is not formally offered, and *secondly*, that adjective law is not to be taken lightly for, without it, the enforcement of substantive law may not remain assured. The Court must add, nevertheless, that technical rules of procedure are not ends in themselves but primarily devised and designed to help in the proper and expedient dispensation of justice. In appropriate cases, therefore, the rules may have to be so construed liberally as to meet and advance the cause of substantial justice.

Furthermore, Section 1, Rule 129, of the Rules of Court provides:

> "SECTION 1. *Judicial notice, when mandatory*. — A court shall take judicial notice, without the introduction of evidence, of the existence and territorial extent of states, their political history, forms of government and symbols of nationality, the law of nations, the admiralty and maritime courts of the world and their seals, the political constitution and history of the Philippines, the **official acts of the** legislative, executive and **judicial departments** of the Philippines, the laws of nature, the measure of time, and the geographical divisions."

Mr. Justice Edgardo L. Paras opined:

> "A court will take judicial notice of its own acts and records in the same case, of facts established in prior proceedings in the same case, of the authenticity of its own records of another case between the same parties, of the files of related cases in the same court, and of public records on file in the same court. In addition[,] **judicial**

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> **notice will be taken of the record, pleadings or judgment of a case in another court between the same parties or involving one of the same parties**, as well as of the record of another case between different parties in the same court. Judicial notice will also be taken of court personnel."[175] (Emphasis supplied; citations omitted)

The Court also applied this principle in *Clarion Printing House, Inc. v. National Labor Relations Commission*.[176] There, the company dismissed several of its employees citing financial losses which led it to file a petition for rehabilitation and/or liquidation or dissolution in court (Rehabilitation Case). One of the said employees assailed the validity of her dismissal. The National Labor Relations Commission ruled that the dismissal was illegal, holding that the company failed to prove the fact that it suffered financial losses. Thus, one of the issues raised before the Court in the labor case was whether the company was able to substantiate its financial losses so as to justify the dismissal of the employee. In resolving this issue, the Court took judicial notice of the records of the Rehabilitation Case which by then had already been decided with finality by the CA. The records revealed that: (1) the company filed its petition for rehabilitation before it dismissed the employee; and (2) the Securities and Exchange Commission (SEC) subsequently ordered the company's dissolution and liquidation. Thus:

> This Court in fact takes judicial notice of the Decision of the Court of Appeals dated June 11, 2000 in CA-G.R. SP No. 55208, "*Nikon Industrial Corp., Nikolite Industrial Corp., et al. [including CLARION], otherwise known as the EYCO Group of Companies v. Philippine National Bank, Solidbank Corporation, et al., collectively known and referred as the 'Consortium of Creditor Banks,*'" which was elevated to this Court via Petition for *Certiorari* and docketed as *G.R. No. 145977*, but which petition this Court dismissed by Resolution dated May 3, 2005:
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> > Considering the *joint manifestation and motion to dismiss* of petitioners and respondents dated February 24, 2003, stating that

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[175] *Id.* at 433–437.

[176] *Supra* note 174.

> *the parties have reached a final and comprehensive settlement* of all the claims and counterclaims subject matter of the case and accordingly, agreed to the dismissal of the petition for *certiorari*, the Court Resolved to DISMISS the petition for *certiorari* (Italics supplied).

The parties in *G.R. No. 145977* having sought, and this Court having granted, the dismissal of the appeal of the therein petitioners including CLARION, the CA *decision which affirmed in toto the September 14, 1999 Order* of the SEC, the dispositive portion of which SEC Order reads:

> WHEREFORE, premises considered, the appeal is as it is hereby, granted and the Order dated 18 December 1998 is set aside. The Petition to be Declared in State of Suspension of payments is hereby disapproved and the SAC Plan terminated. Consequently, all committee, conservator/receivers created pursuant to said Order are dissolved and discharged and all acts and orders issued therein are vacated.
>
> **The Commission, likewise, orders the liquidation and dissolution of the appellee corporations.** The case is hereby remanded to the hearing panel below for that purpose.
>
> . . . .

has now become final and executory. Ergo, the SEC's disapproval of the EYCO Group of Companies' "Petition for the Declaration of Suspension of Payment . . ." and the order for the liquidation and dissolution of these companies including CLARION, must be deemed to have been unassailed.

That judicial notice can be taken of the above-said case of *Nikon Industrial Corp., et al. v. PNB, et al.*, there should be no doubt.

As provided in Section 1, Rule 129 of the Rules of Court:

> SECTION 1. *Judicial notice, when mandatory*. — A court shall take judicial notice, without the introduction of evidence, of the existence and territorial extent of states, their political history, forms of government and symbols of nationality, the law of nations, the admiralty and maritime courts of the world and their seals, the political constitution and history of the Philippines, the official acts of the legislative, executive and **judicial** departments of the Philippines, the laws of nature, the measure of time, and the geographical divisions.

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which Mr. Justice Edgardo L. Paras interpreted as follows:

> **A court will take judicial notice of** its own acts and records in the same case, of facts established in prior proceedings in the same case, of the authenticity of its own records of another case between the same parties, **of the files of related cases in the same court, and of public records on file in the same court**. In addition[,] judicial notice will be taken of the record, pleadings or judgment of a case in another court between the same parties or involving one of the same parties, as well as of the record of another case between different parties in the same court. Judicial notice will also be taken of court personnel.

In fine, CLARION's claim that at the time it terminated Miclat it was experiencing business reverses gains more light from the SEC's disapproval of the EYCO Group of Companies' petition to be declared in state of suspension of payment, filed before Miclat's termination, and of the SEC's consequent order for the group of companies' dissolution and liquidation.[177] (Emphasis supplied; citations omitted)

A notable author has also opined that the courts may take judicial notice "of proceedings in other causes because of their **close connection with the matter in controversy**; because 'there may be cases so closely interwoven, or so clearly interdependent, as to invoke' a rule of judicial notice in one suit [of] the proceedings in another suit."[178]

Pursuant to the foregoing authorities, the Court deems it proper to take judicial notice of the records of both the Expropriation Case and the Reconstitution Case.

II. *Nullity of Reconstitution Case Decision and Effects*

Having settled the foregoing preliminaries, the Court now proceeds to resolve the obvious issue in the Cancellation Case, which is the supposed final and binding effect of the decisions

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[177] *Id.* at 79–81.

[178] RAYMUNDO T. FRANCISCO, BASIC EVIDENCE 38 (4th ed., 2022), *citing Figueras v. Serrano*, 52 Phil. 28 (1928) [Per J. Romualdez, *En Banc*] and 31 C.J.S. 623–624.

in the Reconstitution Case and the Reivindicatoria Case on the Republic.

After taking judicial notice of the records of the Reconstitution Case and upon close scrutiny thereof, the Court rules that the decision in the Reconstitution Case is void. Consequently, all proceedings founded thereon are void,[179] including the decision in the Reivindicatoria Case. Being void, *res judicata* and immutability of judgment cannot operate in favor of both the Reconstitution and Reivindicatoria Cases.

Republic Act No. 26 is the law that governs the judicial reconstitution of a lost or destroyed Torrens certificate of title. Reconstitution of title is a special proceeding[180] aimed at determining whether the reissuance of a lost title is proper.[181] The purpose of a petition for reconstitution is to restore the title or instrument in its original form and condition.[182] For the petition to prosper, it must be shown that: (a) the certificate of title had been lost or destroyed; (b) the documents presented by the petitioner are sufficient and proper to warrant reconstitution of the lost or destroyed certificate of title; (c) the petitioner is the registered owner of the property or had an interest therein; (d) the certificate of title was in force at the time it was lost or destroyed; and (e) the description, area, and boundaries of the property are substantially the same as those contained in the lost or destroyed certificate of title.[183]

The requirements of Republic Act No. 26 must be **strictly** complied with because "reconstitution, if made easy, could be the source of anomalous titles. It could also be unscrupulously

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[179] *See Nazareno v. Court of Appeals*, 428 Phil. 32, 42 (2002) [Per J. De Leon, Jr., Second Division].

[180] *Denila v. Republic, supra* note 124, at 446.

[181] *Republic v. Santua*, 586 Phil. 291, 299 (2008) [Per J. Nachura, Third Division].

[182] *Republic v. Catarroja*, 626 Phil. 389, 396 (2010) [Per J. Abad, Second Division].

[183] *Id.* at 395.

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availed of by some as a convenient substitute for the rigid proceedings involved in original registration of title."[184] Moreover, "[e]xperience has shown that such proceedings have many times been misused as the means of divesting property owners of the title to their properties. The owners wake up one day to discover that their certificates of title had been cancelled and replaced by reconstituted titles in other persons' names through fraudulent reconstitution proceedings."[185]

When what is to be reconstituted is a transfer certificate of title, such reconstitution may be based only on the documents and in the order specified under Section 3 of Republic Act No. 26, thus:

> SECTION 3. Transfer certificates of title shall be reconstituted from such of the sources hereunder enumerated as may be available, in the following order:
>
> (a) The owner's duplicate of the certificate of title;
>
> (b) The co-owner's, mortgagee's, or lessee's duplicate of the certificate of title;
>
> (c) A certified copy of the certificate of title, previously issued by the register of deeds or by a legal custodian thereof;
>
> (d) The deed of transfer or other document, on file in the registry of deeds, containing the description of the property, or an authenticated copy thereof, showing that its original had been registered, and pursuant to which the lost or destroyed transfer certificate of title was issued;
>
> (e) A document, on file in the registry of deeds, by which the property, the description of which is given in said document, is mortgaged, leased or encumbered, or an authenticated copy of said document showing that its original had been registered; and
>
> (f) Any other document which, in the judgment of the court, is sufficient and proper basis for reconstituting the lost or destroyed certificate of title.

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[184] *Id.* at 396.

[185] *Republic v. Mancao*, 764 Phil. 523, 530 (2015) [Per J. Bersamin, First Division].

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There are nuances in this Section that must be emphasized here. Before a petitioner may rely on paragraph (f) (i.e., any other sufficient document), the petitioner must first show that he or she exerted efforts to look for and avail of the sources in paragraphs (a) to (e) and failed to find them.[186] Thus, "[i]f the petitioner for reconstitution fails to show that he [or she] had, in fact, sought to secure such prior documents . . . and failed to find them, the presentation of the succeeding documents as substitutionary evidence is proscribed."[187] It is only after establishing such efforts and failure to obtain the preceding documents that the petitioner may resort to paragraph (f).

But not all documents can qualify under paragraph (f). Following the principle of *ejusdem generis*, the Court has held that paragraph (f) contemplates only those documents that "come from official sources which recognize the ownership of the owner and his [or her] predecessors-in-interest."[188] These are documents "from which the particulars of the certificate of title or the circumstances which brought about its issuance could readily be ascertained" and which "should be able to establish that the lost or destroyed certificate of title has, in fact, been issued to the petitioner or his [or her] predecessor-in-interest and such title was in force at the time it was lost or destroyed."[189]

Thus, in the past, the Court has ruled that the following documents were **not** reliable sources of reconstitution: (1) **tax declarations**, because they are executed for taxation purposes only and are usually prepared by the alleged owner himself or herself. At best, they are *prima facie* evidence of a claim of ownership which, however, is not an issue in a reconstitution proceeding which focuses on reissuing a lost or destroyed title;[190] (2) **survey**

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[186] *See Republic v. Catarroja, supra* note 182, at 395.

[187] *Republic v. Holazo*, 480 Phil. 828, 840 (2004) [Per J. Callejo, Sr., Second Division].

[188] *Republic v. Catarroja, supra* note 182, at 395.

[189] *Republic v. Santua, supra* note 181, at 298.

[190] *Id.* at 299.

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plans and technical descriptions, as these are merely additional documents that must accompany the petition, and they cannot serve as source documents under paragraph (f).[191] Accordingly, the Court has ruled that a reconstitution based on a survey plan and technical descriptions is "void for lack of factual support" because it is "[a] judgment with absolutely nothing to support it."[192]

The records of the Reconstitution Case reveal that the CFI reconstituted Mariano's title based on the following documents: (1) **technical description**; (2) **survey plan**; and (3) a **tax declaration** in the name of Eutiquio.[193] Clearly, none of these falls under the documents described under paragraphs (a) to (e). Based on the records, there is no showing that Mariano first exerted efforts and failed to obtain the documents described under paragraphs (a) to (e). As important, it should be emphasized that the technical description, survey plan, and tax declaration submitted by Mariano do not fall under paragraph (f). As held by the Court in *Republic v. Santua*,[194] which involved evidence similar to the Reconstitution Case:

> The instant petition for reconstitution is anchored on Section 3(f) of RA No. 26, with respondent proffering three significant documents — a tax declaration, survey plan and technical descriptions of each lot.
>
> The Court has already settled in a number of cases that, following the principle of *ejusdem generis* in statutory construction, "any document" mentioned in Section 3 should be interpreted to refer to documents similar to those previously enumerated therein. As aptly observed by the petitioner, the documents enumerated in Section 3(a), (b), (c), (d) and (e) are documents that had been issued or are on file with the Register of Deeds, thus, highly credible.
>
> Moreover, they are documents from which the particulars of the certificate of title or the circumstances which brought about its issuance

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[191] *Id.*, *citing Heirs of Dizon v. Discaya*, 362 Phil. 536, 545 (1999) [Per J. Purisima, Third Division].

[192] *Lee v. Republic*, 418 Phil. 793, 802–803 (2001) [Per J. Pardo, First Division]. (Citations omitted)

[193] *Rollo*, pp. 2355–2357, CFI Order dated March 1, 1956.

[194] *Supra* note 181.

could readily be ascertained. After all, the purpose of reconstitution proceedings under RA No. 26 is the restoration in the original form and condition of a lost or destroyed instrument attesting the title of a person to a piece of land. Consequently, a petitioner's documentary evidence should be able to establish that the lost or destroyed certificate of title has, in fact, been issued to the petitioner or his predecessor-in-interest and such title was in force at the time it was lost or destroyed.

The tax declaration obviously does not serve as a valid basis for reconstitution. For one, we cannot safely rely on Tax Declaration No. 15003-816 as evidence of the subject property being covered by TCT No. T-22868 in the name of respondent because a tax declaration is executed for taxation purposes only and is actually prepared by the alleged owner himself. In fact, in *Heirs of Eulalio Ragua v. Court of Appeals*, the Court pronounced that a tax declaration is not a reliable source for the reconstitution of a certificate of title.

At most, the tax declaration can only be *prima facie* evidence of possession or a claim of ownership, which however is not the issue in a reconstitution proceeding. A reconstitution of title does not pass upon the ownership of the land covered by the lost or destroyed title but merely determines whether a re-issuance of such title is proper.

As for the survey plan and technical descriptions, the Court has previously dismissed the same as not the documents referred to in Section 3(f) but merely additional documents that should accompany the petition for reconstitution as required under Section 12 of RA 26 and Land Registration Commission Circular No. 35. Moreover, a survey plan or technical description prepared at the instance of a party cannot be considered in his favor, the same being self-serving. Further, in *Lee v. Republic*, the Court declared the **reconstitution based on a survey plan and technical descriptions void for lack of factual support**.[195] (Emphasis supplied; citations omitted)

Most importantly, the Reconstitution Case records further indicate that Mariano failed to prove that: (1) he was the registered owner of the property; (2) his certificate of title was in force at the time it was lost; and (3) such title was lost or destroyed.

Mariano's sole witness was his supposed agent, Agustines, whose testimony was simply that Mariano was the registered

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[195] *Id.* at 298–300.

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owner of Lot 937 and that his owner's duplicate as well as the copy on file with the Registry of Deeds was lost during the war.[196] However, nothing in Agustines' testimony shows how she obtained personal knowledge of these facts. There is no evidence showing how and when Mariano's copy was destroyed and what efforts were undertaken to secure copies of the documents under paragraphs (b) to (e). Notably, Agustines testified that Mariano obtained ownership of Lot 937 as an inheritance from his father, Eutiquio.[197] But this too was not proven. Assuming that Mariano did inherit from Eutiquio, no document, such as a deed of self-adjudication, a deed of extrajudicial settlement of estate, or a last will and testament was presented to evidence the transfer of Lot 937 from Eutiquio to Mariano and the registration thereof with the Register of Deeds. While the order of reconstitution made mention of the conformity of Mariano's mother, Felisa, and his two sisters, Rosario and Concepcion, such conformity was apparently for the reconstituted title to be issued to him.[198] Based on the records of the Reconstitution Case, no testimonial or documentary evidence was offered to prove how and when Mariano obtained a certificate of title over Lot 937 in his name. It does not appear that any document was presented to the Register of Deeds to serve as basis for the cancellation of the certificate of title in the name of Eutiquio. Mariano's sole witness, Agustines, simply testified that Mariano inherited the property from his father and that Mariano was the registered owner of the property and had been paying the taxes thereon in the name of his father.[199] Even the supposed sources of reconstitution submitted by Mariano do not indicate him as the registered owner of Lot 937. The survey plan[200] and the

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[196] *Rollo*, pp. 2349–2350, Reception of Evidence dated January 16, 1956 (Records of the Reconstitution Case).

[197] *Id.* at 2350.

[198] *Id.* at 2356–2357, CFI Order dated March 1, 1956 (Records of the Reconstitution Case).

[199] *Id.* at 2349–2350, Reception of Evidence dated January 16, 1956 (Records of the Reconstitution Case).

[200] *Id.* at 2337–2340, Survey Plan dated January 21, 1953 (Records of the Reconstitution Case).

technical descriptions[201] state that they were prepared for Felisa. The tax declaration submitted by Mariano was in the name of Eutiquio.[202]

All told, there is absolutely **no evidence** to support the CFI's reconstitution of Mariano's title. Accordingly, the CFI Order dated March 1, 1956 which granted Mariano's petition for reconstitution is void for lack of factual support.[203] By granting reconstitution without supporting evidence, the CFI acted on a gross misapprehension of facts **and in violation of** the requirements of Republic Act No. 26 and jurisprudence, which amounts to grave abuse of discretion.[204] This, in itself, is another ground for the nullity of the CFI's Order.[205] A judgment rendered with grave abuse of discretion is void.[206]

Being void, it can never attain finality and may be "slain at sight" by the Court whether in a direct or collateral attack.[207] "It

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[201] *Id.* at 2336, Technical Descriptions approved on November 16, 1954 (Records of the Reconstitution Case).

[202] *Id.* at 2354, Declaration of Real Property (Records of the Reconstitution Case).

[203] *See Dela Paz v. Republic*, 820 Phil. 907, 925 (2017) [Per J. Martires, Third Division], *citing Lee v. Republic, supra* note 192, at 802–803 and *Dordas v. Court of Appeals*, 337 Phil. 59 (1997) [Per J. Hermosisima, Jr., First Division]. *See also Republic v. Santua, supra* note 181, at 300; *Republic v. Heirs of Julio Ramos*, 627 Phil. 123, 138 (2010) [Per J. Del Castillo, Second Division], and *Republic v. Pasicolan*, 758 Phil. 121, 138 (2015) [Per J. Del Castillo, Second Division].

[204] *See United Coconut Planters Bank v. Looyuko*, 560 Phil. 581 (2007) [Per J. Austria-Martinez, Third Division], where the Court held: "Grave abuse of discretion refers not merely to palpable errors of jurisdiction; or to violations of the Constitution, the law and jurisprudence. It refers also to cases in which, for various reasons, there has been a gross misapprehension of facts." *Id.* at 592.

[205] *See Imperial v. Armes*, 804 Phil. 439, 459 (2017) [Per J. Jardeleza, Third Division].

[206] *See id.* at 459, 473.

[207] *See Arcelona v. Court of Appeals*, 345 Phil. 250, 287 (1997) [Per J. Panganiban, Third Division] and *Cañero v. University of the Philippines*, 481 Phil. 249, 263 (2004) [Per J. Puno, Second Division].

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cannot be the source of any right nor the creator of any obligation. All acts performed pursuant to it and all claims emanating from it have no legal effect."[208] The Court quotes with approval the ruling in *Philippine National Bank v. Daradar*:[209]

> A void judgment or order has no legal and binding effect for any purpose. In contemplation of law, it is non-existent and may be resisted in any action or proceeding whenever it is involved. It is not even necessary to take any steps to vacate or avoid a void judgment or final order; it may simply be ignored. All acts performed pursuant to it and all claims emanating from it have no legal effect. In this sense, a void order can never attain finality.[210]

Since the CFI's reconstitution order is void, it cannot be the source of any right or claim. All acts and claims emanating from it have no legal effect.[211] The nullity extends to the reconstituted TCT No. RT-6757 in the name of Mariano which was based on the CFI's reconstitution order.

In turn, the RTC-Br. 9's Decision in the Reivindicatoria Case which upheld Mariano's right of ownership based on TCT No. RT-6757[212] should likewise be deemed void, **as the very factual foundation of Mariano's ownership of Lot 937 has been shown to be void**.

The Court expounds.

It is true that a reconstitution of title proceeding merely determines whether a reissuance of title is proper, and it does not pass upon the ownership of the land covered by the lost

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[208] *Arcelona v. Court of Appeals, id.* at 287.

[209] G.R. No. 180203, June 28, 2021 [Per J. Hernando, Third Division].

[210] *Id.*

[211] *See Sebastian v. Spouses Cruz*, 807 Phil. 738, 743 (2017) [Per J. Perlas-Bernabe, First Division] and *De Santos v. The Hon. Intermediate Appellate Court*, 241 Phil. 300 (1988) [Per J. Paras, Third Division].

[212] *See rollo*, p. 158, RTC Decision dated April 18, 2002 in the Reivindicatoria Case.

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title,[213] especially since a Torrens title is merely evidence of ownership.[214] On the other hand, an *accion reivindicatoria* deals with both ownership and possession.[215] Since both cases involve different issues, a decision rendered in the reconstitution case would ordinarily not affect the disposition in the *reivindicatoria* action.[216]

This principle is illustrated in the case of *Amoroso v. Alegre, Jr.*[217] (*Amoroso*). In that case, Juan Alegre, Sr., the alleged original owner of the subject lots, filed a petition for reconstitution of title which the trial court denied for lack of basis. After his demise, one of his sons, Juan Alegre, Jr., supposedly obtained ownership of the lots after purchasing the rights of his co-heirs. In the meantime, the properties were possessed by a certain Narciso Amoroso, who supposedly purchased the same from Matias and Roque Severino, purported owners of the lots. Alegre, Jr. thus filed a *reivindicatoria* complaint against Amoroso. As affirmed by the Court, both the RTC and CA found that Alegre, Jr. had sufficiently proven his claim of ownership over the properties. In particular, both courts relied on a Bureau of Lands certification and a cadastral list which showed that Alegre, Jr.'s predecessors-in-interest were indeed the owners of the subject lots. In contrast, the evidence showed Amoroso's predecessors-in-interest were the owners of the adjacent lots. Relatedly, the Court ruled that the dismissal of the reconstitution complaint did not constitute *res judicata* against the *reivindicatoria* complaint because there is no identity in the causes of action.

As astutely pointed out by Associate Justice Japar B. Dimaampao, *Amoroso* demonstrates that a *reivindicatoria* action can proceed independently from an unfavorable ruling in

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[213] *Dela Paz v. Republic*, 820 Phil. 907, 927 (2017) [Per J. Martires, Third Division].

[214] *See Dy v. Aldea*, 816 Phil. 657, 672 (2017) [Per J. Mendoza, Second Division].

[215] *See Amoroso v. Alegre, Jr.*, 552 Phil. 22 (2007) [Per J. Tinga, Second Division].

[216] *See id.*

[217] *Id.*

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reconstitution petition, such that a resolution of the latter will not be determinative of the former.

While it is true that the basic issues differ between a *reivindicatoria* case, which are ownership and possession, and in a reconstitution case, which is the issuance of a reconstituted title in lieu of a lost or destroyed one based on the sources provided in Republic Act No. 26, they being two distinct remedies, one should not lose sight of the fact that the petitioner in a reconstitution case must first possess *locus standi* that such petitioner is "the registered owner, his assigns, or other persons having an interest in the property"[218] whose title is sought to be reconstituted.

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[218] The pertinent provisions of Republic Act No. 26 read:

SEC. 5. Petitions for reconstitution from sources enumerated in sections 2(a), 2(b), 3(a), 3(b), and/or 4(a) of this Act may be filed with the register of deeds concerned by the registered owner, his assigns, or other person having an interest in the property. The petition shall be accompanied with the necessary sources for reconstitution and with an affidavit of the registered owner stating, among other things, that no deed or other instrument affecting the property had been presented for registration, or, if there be any, the nature thereof, the date of its presentation, as well as the names of the parties, and whether the registration of such deed or instrument is still pending accomplishment. If the reconstitution is to be made from any of the sources enumerated in section 2(b) or 3(b), the affidavit should further state that the owner's duplicate has been lost or destroyed and the circumstances under which it was lost or destroyed. Thereupon, the register of deeds shall, no valid reason to the contrary existing, reconstitute the certificate of title as provided in this Act.

. . . .

SEC. 10. Nothing hereinbefore provided shall prevent any registered owner or person in interest from filing the petition mentioned in section five of this Act directly with the proper Court of First Instance, based on sources enumerated in sections 2(a), 2(b), 3(a), 3(b) and/or 4(a) of this Act: *Provided, however*, That the court shall cause a notice of the petition, before hearing and granting the same, to be published in the manner stated in section nine hereof: *And, provided, further*, That certificates of title reconstituted pursuant to this section shall not be subject to the encumbrance referred to in section seven of this Act.

. . . .

SEC. 12. Petitions for reconstitution from sources enumerated in sections 2(c), 2(d), 2(e), 2(f), 3(c), 3(d), 3(e) and/or 3(f) of this Act, shall be filed with the proper Court of First Instance, by the registered owner, his assigns, or any person having an interest in the property.

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Consequently, when a reconstitution case is filed by someone other than those specified in Republic Act No. 26, the decision therein is void and the reconstitution court could not have obtained jurisdiction over the same.[219]

Here, it is apparent from the decision in the Reivindicatoria Case that the RTC-Br. 9 relied mainly on the reconstituted TCT No. RT-6757 in determining Mariano's claim of ownership over Lot 937. To recall, Mariano asserted his ownership based on the reconstituted TCT No. RT-6757, and no other, while the Republic laid claim based on its expropriation of the property. The RTC-Br. 9 did not agree with the Republic's claim of ownership based on expropriation, after ruling that just compensation was not paid. Ultimately, the RTC-Br. 9 ruled that Mariano was able to prove by a preponderance of evidence—i.e., based on TCT No. RT-6757 and the Republic's failure to prove payment of just compensation, that Mariano has a better claim of ownership over the property than the Republic. That a reconstituted title (which is void) was issued to Mariano did not vest him any ownership

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. . . .

SEC. 15. If the court, after hearing, finds that the documents presented, as supported by parole evidence or otherwise, are sufficient and proper to warrant the reconstitution of the lost or destroyed certificate of title, and that the petitioner is the registered owner of the property or has an interest therein, that the said certificate of title was in force at the time it was lost or destroyed, and that the description, area and boundaries of the property are substantially the same as those contained in the lost or destroyed certificate of title, an order of reconstitution shall be issued. The clerk of court shall forward to the register of deeds a certified copy of said order and all the documents which, pursuant to said order, are to be used as the basis of the reconstitution. If the court finds that there is no sufficient evidence or basis to justify the reconstitution, the petition shall be dismissed, but such dismissal shall not preclude the right of the party or parties entitled thereto to file an application for confirmation of his or their title under the provisions of the Land Registration Act.

[219] *See Spouses Paulino v. Republic*, 735 Phil. 448, 461–462 (2014) [Per J. Mendoza, Third Division]; *Department of Agrarian Reform v. Republic*, 503 Phil. 379, 390–391 (2005) [Per J. Callejo, Sr., Second Division]; and *Register of Deeds of Malabon, Metro Manila v. RTC Malabon, Metro Manila, Branch 170*, 260 Phil. 839 (1990) [Per J. Griño-Aquino, First Division].

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or right in the subject property, which in the first place he did not have when the petition for reconstitution was filed.

To the Court's mind, the RTC-Br. 9 would not hold, as it did, that "[Mariano] is the absolute and exclusive owner of Lot 937; that the registered title of [Mariano] over the land (Exhibit 'D') is valid and indefeasible"[220] were it not for the reconstituted TCT No. RT-6757 and the Republic's failure to prove payment of just compensation then.

The foregoing considerations starkly differ from those present in *Amoroso*. In *Amoroso*, ownership of the disputed lots was proven through the Bureau of Lands certification and a cadastral list showing that the plaintiff's predecessors-in-interest were the owners of the lots. In contrast, there appears in the Reivindicatoria Case to be no document other than the reconstituted TCT No. RT-6757 which establishes Mariano's right of ownership over Lot 937. While Mariano claimed that he inherited Lot 937 from Eutiquio, it is apparent from the decision of RTC-Br. 9 that it did not consider any other documentary evidence as the basis of Mariano's claim of ownership. Moreover, the Court examined Mariano's Formal Offer of Documentary Exhibits (as contained in the parties' Joint Stipulation of Facts)[221] and did not find any last will and testament, deed of extrajudicial settlement of estate, affidavit of self-adjudication, or other relevant document that may serve as basis for the RTC-Br. 9's determination of Mariano's claim of ownership. It therefore cannot be doubted that the RTC-Br. 9 considered the reconstituted TCT No. RT-6757 as the only document proving Mariano's right of ownership.

Considering that the very document which served as the RTC-Br. 9's basis for determining Mariano's ownership over Lot 937 is void, it follows that the RTC-Br. 9's decision in the Reivindicatoria Case is likewise void.

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[220] *Rollo*, p. 158, RTC Decision dated April 18, 2002 in the Reivindicatoria Case.

[221] *Id.* at 1019–1024, Joint Stipulation of Facts dated February 16, 2023.

To recapitulate, the CFI's reconstitution order is hereby declared void for non-compliance with the mandatory statutory and jurisprudential requirements for a judicial reconstitution of title. Being void, all acts performed pursuant to it and all claims emanating from it have no legal effect.[222] TCT No. RT-6757 emanated from the CFI's reconstitution order. Therefore, it is void. Mariano presented TCT No. RT-6757 in the Reivindicatoria Case as proof of his ownership, and this was the only basis relied upon by the RTC-Br. 9 in determining Mariano's ownership. Mariano's claim of ownership based on the void TCT No. RT-6757 has no legal effect. Considering that the RTC-Br. 9's determination of Mariano's ownership is founded on the void TCT No. RT-6757, the Court concludes that the RTC-Br. 9's decision is likewise void. Thus, the decision in the Reivindicatoria Case cannot benefit from the principles of immutability of judgment and *res judicata*.

III. ***Payment of Just Compensation***

Proceeding now to the core issue of whether the Republic had fully paid the just compensation for the expropriation of Lot 937, the Court has carefully examined the records of the Expropriation Case, which the Court has taken judicial notice of. Said records ***indubitably*** show that the Republic had indeed paid to Eutiquio's estate the amount of just compensation determined by the CFI in the Expropriation Case. Consequently, ownership over Lot 937 had passed from Eutiquio's estate to the Republic as far back as in 1938.

That said, the Republic's ownership may be defeated by Mazy's if it is able to prove its status as an innocent purchaser for value. The Court thus remands this case to the CA to receive evidence on and resolve this issue in accordance with this Decision.

The Court elucidates.

A.

The prevailing and settled rule is that title to the expropriated property shall pass from the owner to the expropriator **only upon**

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[222] *Arcelona v. Court of Appeals, supra* note 207, at 287.

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full payment of just compensation.[223] This principle is not disputed by the parties.[224]

Accordingly, the Court's ruling on the issue of payment of just compensation will necessarily determine whether the Republic has a right of ownership over Lot 937. It is true that this issue is a factual one, which the Court may ordinarily refuse to determine or, when warranted, remand to the lower court for determination. Nonetheless, the Court resolves to determine this issue in the interest of judicial economy because it can be resolved by simply examining the judicial records of the Expropriation Case.

In *Cathay Metal Corporation v. Laguna West Multi-Purpose Cooperative, Inc.*,[225] the Court held that:

> Ordinarily, this case would be remanded to the trial court for the presentation of respondent's evidence. However, this case has been pending in this court for about eight (8) years. In the interest of judicial economy and efficiency, and given that the court records are sufficient to make a determination on the validity of respondent's adverse claim, we shall rule on the issue.[226]

And in *Heirs of Crisanta Y. Gabriel-Almoradie v. Court of Appeals*,[227] the Court ruled that:

> In the interest of the public and for the expeditious administration of justice the issue on infringement shall be resolved by the court considering that this case has dragged on for years and has gone from one forum to another.

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[223] *See Republic v. Phil-Ville Development and Housing Corporation*, 552 Phil. 821, 830 (2007) [Per J. Garcia, First Division], *citing Calvo v. Zandueta and Ordoñez*, 49 Phil. 605 (1926) [Per J. Ostrand, *En Banc*]; *Reyes v. National Housing Authority*, 443 Phil. 603, 614 (2003) [Per J. Puno, Third Division]; *Manigbas v. Abel*, G.R. No. 222123, June 28, 2021 [Per J. J. Lopez, Third Division]; *Visayan Refining Co. v. Camus and Paredes*, 40 Phil. 550 (1919) [Per J. Street, First Division].

[224] *Rollo*, p. 1098, Mazy's Position Paper dated February 17, 2023; *id.* at 1065, Republic's Position Paper dated February 17, 2023.

[225] 738 Phil. 37 (2014) [Per J. Leonen, Third Division].

[226] *Id.* at 63.

[227] 299 Phil. 14 (1994) [Per J. Nocon, Second Division].

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It is a rule of procedure for the Supreme Court to strive to settle the entire controversy in a single proceeding leaving no root or branch to bear the seeds of future litigation. No useful purpose will be served if the case or the determination of an issue in a case is remanded to the trial court only to have its decision raised again to the Court of Appeals and from there to the Supreme Court.

We have laid down the rule that the **remand of the case or of an issue** to the lower court for further reception of evidence **is not necessary where the Court is in [a] position to resolve the dispute based on the records before it and particularly where the ends of justice would not be subserved by the remand thereof**. Moreover, the Supreme Court is clothed with ample authority to review matters, even those not raised on appeal if it finds that their consideration is necessary in arriving at a just disposition of the case.[228] (Emphasis supplied; citations omitted)

Here, the issue on the payment of just compensation has dragged on for years. Remanding this issue would be inefficient and impractical as it would only reopen the doors to protracted litigation, and any decision thereon by the lower court would undoubtedly be appealed (as seen from the various cases that stemmed from the Reivindicatoria Case). Considering that the records of the Expropriation Case, which are now with the Court and which it can take judicial notice of, are sufficient to settle this issue, and considering that the parties have exhaustively discussed before this Court their positions on whether payment of just compensation has been made, the Court finds no reason to remand this particular issue to the CA.

B.

After an assiduous study of the Expropriation Case records, the Court finds that the Republic had fully paid just compensation to Eutiquio's estate, as evidenced by the Provincial Voucher which the Court had seen for itself in the records of the Expropriation Case during the ocular inspection conducted on March 23, 2023.

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[228] *Id.* at 30–31.

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The Court is aware of Rule 129, Section 3[229] which requires a court, on appeal, to hear the parties before taking judicial notice of a matter that is decisive of material issue in the case. Here, the Court has heard the arguments of Mazy's against the Provincial Voucher, particularly, that it cannot be used as evidence because it was not formally offered,[230] because it is not newly discovered evidence,[231] and because it was not authenticated as provided in the Rules on Evidence.[232] Mazy's also argues that the Provincial Voucher is a fake.[233] In support, Mazy's submitted to the Court a Judicial Affidavit of a certain Catalina Sun Diamante, the purported granddaughter of Felisa, who stated that the signature appearing on the Provincial Voucher above the name of Felisa was not her grandmother's.[234] Diamante was supposedly certain of this because, having lived with Felisa until the latter's death in 1986, Diamante knows that Felisa was illiterate and could only speak in Chinese.[235]

It suffices to state, however, that the Court itself has seen the original Provincial Voucher, and is satisfied with its authenticity and genuineness based on the following observations and considerations:

(1) The same as with the other documents in the case records of the Expropriation Case, the Provincial Voucher appears

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[229] REV. RULES ON EVIDENCE, Rule 129, sec. 3 provides:
Section 3. *Judicial notice, when hearing necessary*. – During the pre-trial and the trial, the court, *motu proprio* or upon motion, shall hear the parties on the propriety of taking judicial notice of any matter.
Before judgment or on appeal, the court, *motu proprio* or upon motion, may take judicial notice of any matter and shall hear the parties thereon if such matter is decisive or a material issue in the case. (3a)

[230] *Rollo*, p. 2755, Mazy's Memorandum dated July 19, 2023.

[231] *Id.* at 2771.

[232] *Id.* at 2798.

[233] *Id.* at 1203, Mazy's Manifestation and Motion dated March 16, 2023.

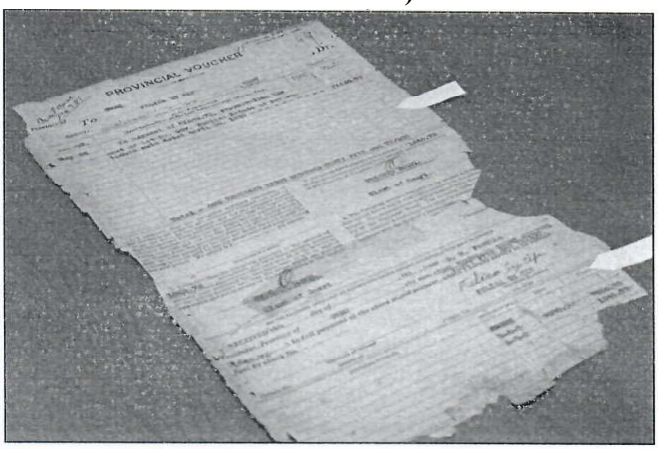
[234] *Id.* at 1216, Judicial Affidavit of Catalina Sun Diamante dated March 15, 2023.

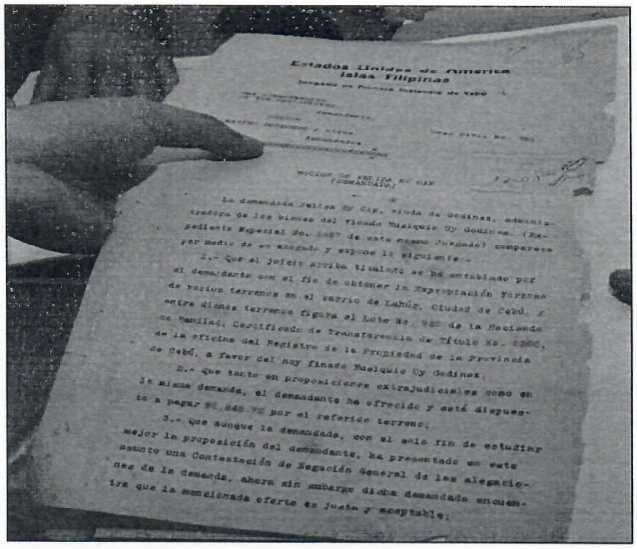
[235] *Id.* at 1217.

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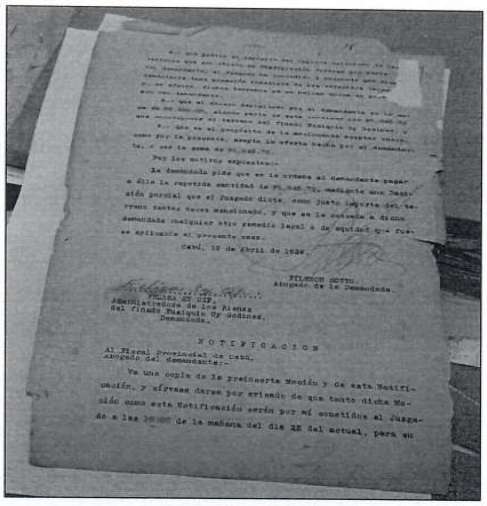
severely deteriorated. It is light brown in color, very brittle, and has minor tears on its edges. These indicate that the Provincial Voucher is of the same age as the other documents in the records.

Photos of the Provincial Voucher and other documents in the Expropriation Case Records (as taken during the March 23, 2023 Ocular)



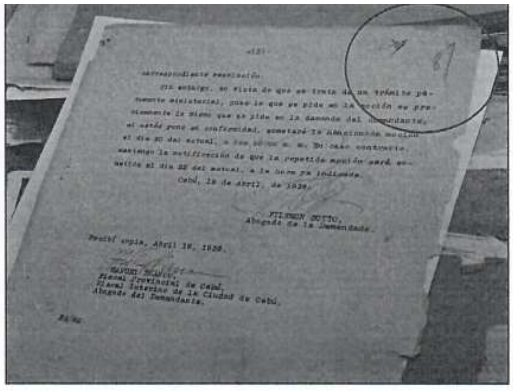


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NOTIFICACION

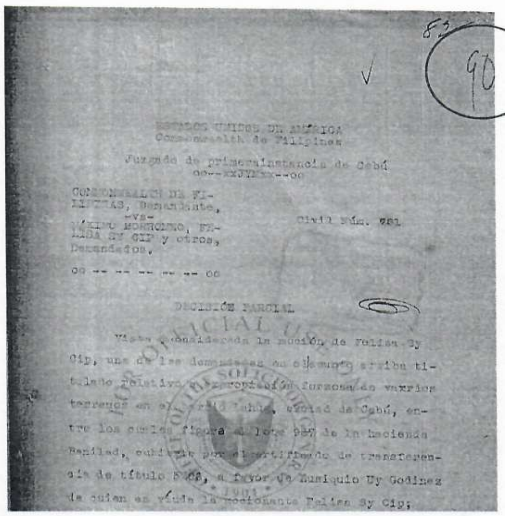
(2) The records appear to have been paginated twice. The Provincial Voucher bears two sets of handwritten paginations on the top-right corner, which appear to establish a sequence of documents comprising the entire case records. For instance, the last page of Felisa's motion for the release and payment to her of the amount of just compensation is numbered 79 and 87.[236]



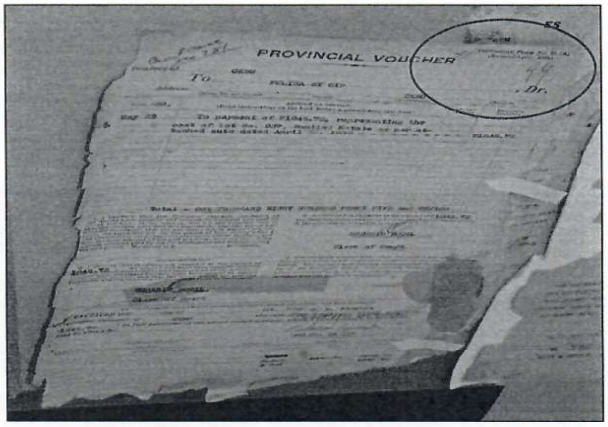
[236] *Id.* at 1513 (Expropriation Case Records).

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The CFI's 1939 Partial Decision granting the said motion is numbered 82 and 90.[237]



And the Provincial Voucher itself is numbered 91 and 99.[238]



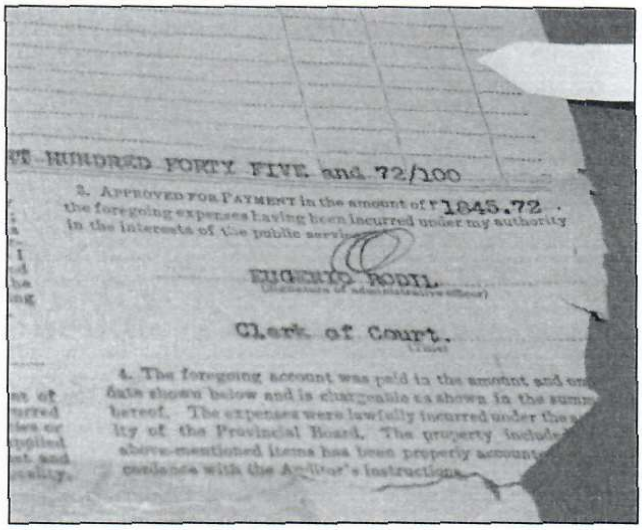
[237] *Id.* at 1515 (Expropriation Case Records).

[238] *Id.* at 1522 (Expropriation Case Records).

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These indicate that the Provincial Voucher is part of the records of the Expropriation Case. Moreover, the sequence of the aforementioned documents, as evidenced by the handwritten page numbers, is logical.

(3) It appears that the Provincial Voucher was signed by a certain Eugenio Rodil, who was then a Clerk of Court of the CFI.

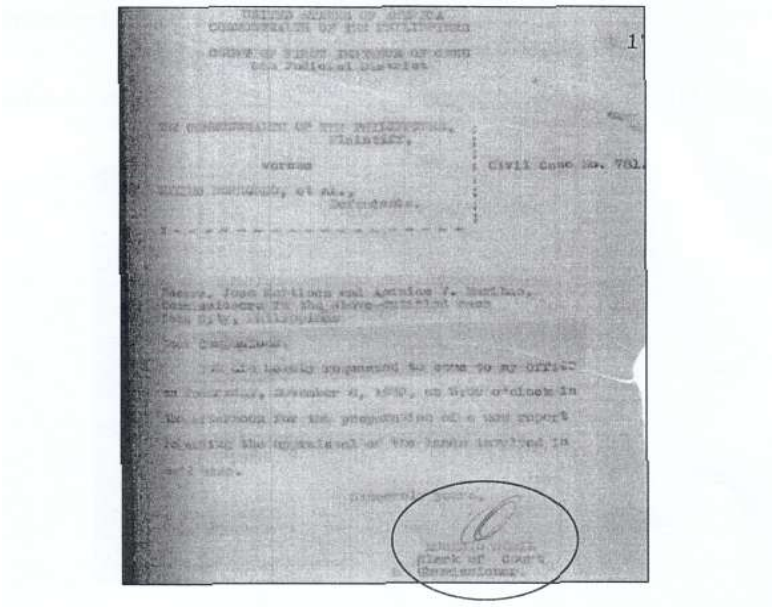


The same name, designation, and signature of Eugenio Rodil likewise appear in the various parts of the Expropriation Case records,[239] such as in his letter to the court-appointed commissioners below.

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[239] *See*, for instance, *rollo*, p. 1713, the letter of Eugenio Rodil to the court-appointed commissioners, and p. 1655, *Notificacion* dated September 22, 1939 (Expropriation Case Records). Numerous pleadings filed by the parties, including Felisa Sy Cip's Answer (p. 1465) and *Mocion* (p. 1511) bear on the upper-right portion a receiving stamp of the "Office of the Clerk of Court" which contains the same signature of Eugenio Rodil (*see also rollo*, pp. 1509, 1510, and 1973).

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Moreover, the Provincial Voucher is a public document,[240] being a written official act of the CFI's Clerk of Court.[241] Therefore, it

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[240] *See People v. Sendaydiego*, 171 Phil. 114 (1978) [Per J. Aquino, Second Division].

[241] REV. RULES ON EVIDENCE, Rule 132, sec. 19 provides:
Section 19. *Classes of documents*. – For the purpose of their presentation in evidence, documents are either public or private.
Public documents are:
(a) The **written official acts, or records** of the sovereign authority, official bodies and tribunals, and **public officers**, whether of the Philippines, or of a foreign country;
(b) Documents acknowledged before a notary public except last wills and testaments;
(c) Documents that are considered public documents under treaties and conventions which are in force between the Philippines and the country of source; and
(d) Public records, kept in the Philippines, of private documents required by law to be entered therein.
All other writings are private. (19a) (Emphasis supplied)

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is admissible as evidence and may be considered by the Court without further proof of its due execution and genuineness.[242]

Even if the Court subscribes to Mazy's argument that the Provincial Voucher is a private document,[243] the result will still be the same. A private document's authenticity and due execution may be proven by: (1) anyone who saw the document executed or written; **(2) evidence of the genuineness of the signature or handwriting of the maker**; or **(3) other evidence showing its due execution and authenticity**.[244] The Court is convinced that the Provincial Voucher has been proven through the second and third methods.

As to the second method, genuineness of the signature or handwriting of a person may be proven through a comparison made by the Court with writings: (1) admitted or treated as genuine by the party against whom the evidence is offered, or (2) proved to be genuine to the satisfaction of the judge."[245] Lest it be forgotten,

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[242] *Rodriguez v. Your Own Home Development Corp.*, 838 Phil. 749, 769 (2018) [Per J. Leonen, Third Division], *citing Salas v. Sta. Mesa Market Corp.*, 554 Phil. 343, 348 (2007) [Per J. Corona, First Division].

[243] *Rollo*, p. 2798, Mazy's Memorandum dated July 19, 2023.

[244] REV. RULES ON EVIDENCE, Rule 132, sec. 20 provides:
Section 20. *Proof of private documents*. — Before any private document offered as authentic is received in evidence, its due execution and authenticity must be proved by any of the following means:
(a) By anyone who saw the document executed or written;
(b) By evidence of the genuineness of the signature or handwriting of the maker; or
(c) By other evidence showing its due execution and authenticity.
Any other private document need only be identified as that which it is claimed to be. (20)

[245] *Id.*, Rule 132, sec. 22 provides:
Section 22. *How genuineness of handwriting proved*. — The handwriting of a person may be proved by any witness who believes it to be the handwriting of such person because he or she has seen the person write, or has seen writing purporting to be his or hers upon which the witness has acted or been charged, and has thus acquired knowledge of the handwriting of such person. Evidence respecting the handwriting may also be given by a comparison, made by the witness or the court with writings admitted or treated as genuine by the party against whom the evidence is offered, or proved to be genuine to the satisfaction of the judge. (22)

and contrary to Mazy's assertion, resort to handwriting experts is not mandatory or indispensable. Judges exercise independent judgment to determine and arrive at a reasonable conclusion on the authenticity or genuineness of the signature in question.[246] Thus, the Court may determine the genuineness of Felisa's signature on the Provincial Voucher by comparing the same with her signature appearing on other documents admitted as genuine by Mazy's or determined by the Court to be genuine.

Part of the records of the Expropriation Case is a *Mocion de Felisa Sy Cip (Demandada)*[247] (*Mocion*) dated April 19, 1939 which purportedly bears her signature. During the oral arguments, Mazy's expressly admitted the genuineness and authenticity of the *Mocion* and even shared the Court's observation that Felisa's signature therein was remarkably similar to the one appearing on the Provincial Voucher, *viz.*:

ASSOCIATE JUSTICE CAGUIOA:
In the Joint Stipulation that you made, you made reference to the Parcial Decision rendered by the Regional Trial Court of Cebu CFT [*sic*], and you stipulated on the authenticity of that decision, correct?

And in that, in that decision, it makes mention of a motion filed by Felisa Sy Cip.

ATTY. DELA CRUZ, JR.:
Yes, Your Honor.

ASSOCIATE JUSTICE CAGUIOA:
And therefore, you also stipulate on the authenticity of the motion filed by Feli[s]a Sy Cip?

ATTY. DELA CRUZ, JR.:
We only stipulate as to the Decision Parcial. It is our contention that payment has not been made, Your Honor.

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[246] *Philippine Trust Company v. Gabinete*, 808 Phil. 297, 309–310 (2017) [Per J. Peralta, Second Division].

[247] *Rollo*, pp. 1511–1513.

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ASSOCIATE JUSTICE CAGUIOA:
I understand what you are saying. I am saying that the decision makes reference to a motion. In other words, the [c]ourt released the money, the partial money in favor of Felisa Sy Cip, by virtue of this Parcial Decision, correct?

ATTY. DELA CRUZ, JR.:
Yes, Your Honor.

ASSOCIATE JUSTICE CAGUIOA:
And it released it, because it was urged to pay by virtue of a Motion filed by Felisa Sy Cip, correct?

ATTY. DELA CRUZ, JR.:
Yes, Your Honor.

ASSOCIATE JUSTICE CAGUIOA:
Do we agree on that?

ATTY. DELA CRUZ, JR.:
Yes, Your Honor.

ASSOCIATE JUSTICE CAGUIOA:
A copy of the motion of Felisa Sy Cip was also in the case record. I have a copy. Do you dispute that?

ATTY. DELA CRUZ, JR.:
No, Your Honor.

ASSOCIATE JUSTICE CAGUIOA:
You don't, alright.

(To his staff) Where is that copy?

This is my copy of that motion in the expropriation case by Felisa Sy. I'm giving it to you, counsel. Please show it to the Solicitor General; it's highlighted in yellow.

My question to you is, do you agree with my observation that the signature of Felisa Sy there is remarkably similar to the one appearing in the voucher?

ATTY. DELA CRUZ, JR.:
It appears so, yes, Your Honor.

ASSOCIATE JUSTICE CAGUIOA:
Alright, therefore, it seems to be that the voucher really does bear, assuming it's authentic, the signature of Felisa Sy, correct?

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ATTY. DELA CRUZ, JR.:
Yes, Your Honor.[248]

At any rate, even if Mazy's did not make such admission, the Court is satisfied with the authenticity and genuineness of the *Mocion* based on "other evidence showing its due execution and authenticity."[249] The *Mocion* was found in the same deteriorated condition as the Provincial Voucher. The paginations and dates of the relevant records likewise reveal a logical sequence of events: (1) Felisa first filed the *Mocion* dated April 19, 1939 praying that the court release to her the amount of the just compensation (pages 79 and 87 of the records); (2) the CFI issued the 1939 Partial Decision granting such motion (pages 82 and 90 of the records); and (3) the CFI released the amount of the just compensation to Felisa through the Provincial Voucher dated May 25, 1939 (pages 91 and 99 of the records).

Notably, the *Mocion* also bears the signature of Felisa's counsel, Atty. Filemon Sotto, and of Provincial Fiscal Manuel Blanco, who signed at the receiving portion. Significantly, the same signatures of Atty. Sotto and Fiscal Blanco appear in other parts of the records of the Expropriation Case. Atty. Sotto's signature appears in the *Contestacion de la Administradora Judicial de los Bienes del Finado Eusiquio Uy Godinez*[250] that he filed on behalf of Felisa. Fiscal Blanco's same signature also appears on an *Ex-Parte Motion*[251] he filed on November 7, 1938.

There can therefore be no doubt as to the authenticity and genuineness of the *Mocion*. Hence, the Court may use Felisa's signature in the *Mocion* to determine the genuineness of her signature in the Provincial Voucher. These signatures are reproduced below:

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[248] TSN, Oral Arguments, February 22, 2023, pp. 20–22.

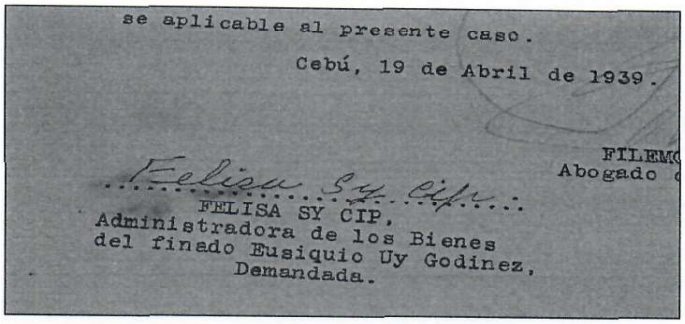
[249] REV. RULES ON EVIDENCE, Rule 132, sec. 20 (c).

[250] *Rollo*, p. 1465.

[251] *Id.* at 1482–1483.

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Mocion



se aplicable al presente caso.

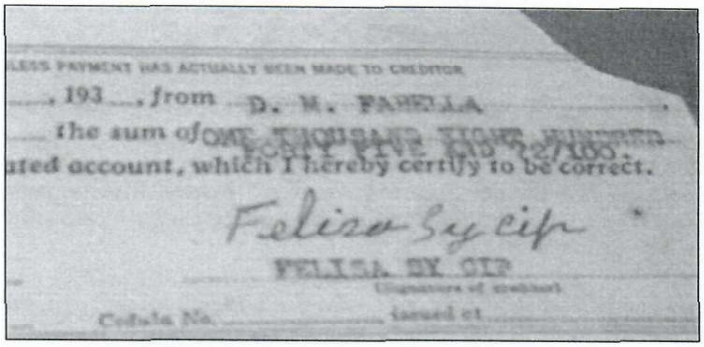
Cebú, 19 de Abril de 1939.

FILEM
Abogado

Felisa Sy Cip

FELISA SY CIP,
Administradora de los Bienes
del finado Eusiquio Uy Godinez,
Demandada.

Provincial Voucher



LESS PAYMENT HAS ACTUALLY BEEN MADE TO CREDITOR

....., 193...., from D. M. PAMELLA

the sum of ONE THOUSAND EIGHT HUNDRED FORTY FIVE AND 92/100.

ited account, which I hereby certify to be correct.

Felisa Sy cip

FELISA SY CIP

(Signature of creditor)

Cedula No. ..... issued at .....

Based on the Court's own examination, it is convinced that the signatures are patently similar, and that Felisa's signature on the Provincial Voucher is, therefore, genuine.

In any event, both the Provincial Voucher and the *Mocion* are ancient documents, and no further evidence of their authenticity is needed. Under Rule 132, Section 21,[252] "an ancient document

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[252] REV. RULES ON EVIDENCE, Rule 132, sec. 21 states:
Section 21. *When evidence of authenticity of private document not necessary*. – Where a private document is more than thirty (30) years old, is produced from a custody in which it would naturally be found if genuine, and is unblemished by any alterations or circumstances of suspicion, no other evidence of its authenticity need be given. (21)

[is] one that: 1) is more than 30 years old; 2) is produced from custody in which it would naturally be found if genuine; and 3) is unblemished by any alteration or by any circumstance of suspicion."[253] The Court's discussion of the second requirement in *Cercado-Siga v. Cercado, Jr.*[254] is instructive:

> Ancient documents are considered from proper custody **if they come from a place from which they might reasonably be expected to be found**. Custody is proper **if it is proved to have had a legitimate origin or if the circumstances of the particular case are such as to render such an origin probable**. If a document is found where it would not properly and naturally be, its absence from the proper place must be satisfactorily accounted for.
>
> *Gibson v. Poor* cited the reason why it is required that an ancient document shall be produced from the proper depository:
>
> > . . . that thereby credit is given to its genuineness. Were it not for its antiquity, and the presumption that consequently arises that evidence of its execution cannot be obtained, it would have to be proved. It is not that any one particular place of deposit can have more virtue in it than another, or make that true which is false; **but the fact of its coming from the natural and proper place, tends to remove presumptions of fraud, and strengthens the belief in its genuineness**. It may be false, and so shown, notwithstanding the presumptions in its favor. If found where it would not properly and naturally be, its absence from the proper place must be satisfactorily accounted for; **but that being done and all suspicions against its genuineness removed, we can discover no reason why it may not be read in evidence**. The real question which is to affect its consideration is, whether the instrument offered is genuine, and contains a true statement of what it purports to. In the Bishop of Meath v. Marquis of Winchester, 2 Bing. 183, Tindal, C. J., speaking of ancient documents, holds this language. "It is not necessary that they should be found in the best and most proper place of deposit. If documents continued in such custody, there never would be any question as to their authenticity; but it is when documents are found in other than their proper place of deposit, that the investigation commences whether

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[253] *See Cercado-Siga v. Cercado, Jr.*, 755 Phil. 583, 594 (2015) [Per J. Perez, First Division].

[254] *Id.*

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> it was reasonable and natural under the circumstances in the particular case, to expect that they should have been in the place where they are actually found; for it is obvious, that while there can be only one place of deposit strictly and absolutely proper, there may be many and various that are reasonable and probable, though differing in degree; some being more so, some less; and in those cases the proposition to be determined is, whether the actual custody is so reasonably and probably accounted for, that it impresses the mind with the conviction, that the instrument found in such custody must be genuine." Some authorities hold, that the antiquity of the document is alone sufficient to entitle it to be read, and that the other circumstances only go to its effect in evidence.[255] (Emphasis supplied; citations omitted)

Here, both the Provincial Voucher and *Mocion* are undoubtedly more than 30 years old. They were found in the archived case records of the Expropriation Case.

Mazy's argues that the proper custodian of the Provincial Voucher is the Provincial Treasurer of Cebu who, in this case, has certified that "no records has been found with regards [sic] to the Provincial Voucher attached amounting to Php1,845.72 signed by Clerk of Court Eugenio Rodil, in the Cebu Provincial Governmental file."[256]

The Court is not swayed.

The Provincial Voucher was executed by the CFI's Clerk of Court, Eugenio Rodil, in connection with the Expropriation Case.[257] Therefore, it is reasonable to expect the Provincial Voucher to be in the records of the Expropriation Case. The same goes for the *Mocion* which was filed by Felisa with the CFI in the Expropriation Case. With respect to the third element, the Court does not see any sign of alteration or suspicious circumstance that would cast doubt on the authenticity of the Provincial Voucher and the *Mocion*.

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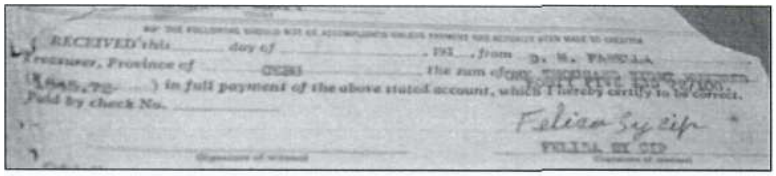
[255] *Id.* at 594–595.

[256] *Rollo*, p. 2798, Mazy's Memorandum dated July 19, 2023; *id.* at 1122, Certification of the Provincial Treasurer dated February 16, 2023.

[257] *Id.* at 1522, Provincial Voucher.

The Provincial voucher has two parts. The first part, signed by Clerk of Court Eugenio Rodil, states the description and the amount "approved for payment." The amount "₱1845.72" is described as "To payment of ₱1845.72, representing the cost of lot No. 937, Banilad Estate as per attached auto dated April 22, 1939."[258] The "auto dated April 22, 1939" appears to be the CFI's *Decision Parcial* dated April 22, 1939, which granted Felisa's *Mocion* for her to be paid the amount of PHP 1,845.72 as just compensation for Lot 937.[259]

The second part of the Provincial Voucher, signed by Felisa, states:


RECEIVED this ____ day of _____, 193__, from D. M. Provincial
Treasurer, Province of _____ the sum of _____
(₱1845.72) in full payment of the above stated account, which I hereby certify to be correct.
Paid by check No. _____
Felisa Sy Cip
FELISA SY CIP

From the foregoing, it is clear that Felisa received the amount of PHP 1,845.72 as just compensation for Lot 937. Thus, ownership over Lot 937 transferred to the Republic upon such payment.

IV. ***Effect of Payment of Just Compensation***

Having settled the fact that the Republic had paid the amount of just compensation and thereby acquired ownership of Lot 937, the question now arises: what is the effect of such payment and transfer of ownership in favor of the Republic on the ostensible ownership rights of Mariano and Mazy's?

But before delving into this, the Court must first look into the basis of Mazy's and Mariano's claim of ownership. To recall, Mazy's purchased Lot 937 from Mariano in 2018. Mariano's ownership was evidenced by the reconstituted TCT No. RT-6757, which was issued to him after he obtained a favorable judgment

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[258] *Id.*

[259] *Id.* at 1511–1513, 1515 (Expropriation Case Records).

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in the Reconstitution Case. The Reconstitution Case stemmed from a Petition for Judicial Reconstitution of Title filed in 1954 by Mariano, through his supposed agent, Ramona U. Agustines, with the CFI of Cebu. The petition alleged that: (1) Mariano is the registered owner of Lot 937, which was covered by a Torrens Title before the war; (2) aside from the owner's duplicate certificate which was lost, there was no other copy issued of the said title; (3) Mariano has always been in possession of the property; and (4) the title has not been encumbered.[260]

The rest of the proceedings are best described by quoting from the CFI's Order granting the reconstitution:

> The initial hearing of the petition was set on January 8, 1955, after all the legal requisites have been duly complied with, namely, the sending of copies of the notice of hearing to the adjoining owners of Lot No. 937 (Exhs. A, A-1, and F); the posting of copies of said notice at the main entrance of the Provincial [Capitol] Building and at the City Hall of Cebu City of the Provincial Sheriff of Cebu (Exh. G); and the publication of a copy of the notice of hearing in the Official Gazette in its issues Nos. 10 and 11 for the months of October and November, 1954 (Exh. E). No opposition to the petition was registered.
>
> From the evidence presented by the petitioner, the following facts appear established:
>
> That Lot No. 937 of the Banilad Friar Lands Estate is described in the technical description (Exh. C) and on plan SWO-32811 (Exh. D), duly verified and approved by the Commissioner of the Land Registration Commission pursuant to Sec. 12 of Rep. Act No. 26; that the herein petitioner, Mariano Uy Godinez was the registered owner thereof and a holder of a certificate of title, the owner's duplicate as well as the original copy thereof kept in the files of the office of the Register of Deeds of Cebu were lost and/or destroyed during the last war; that at the time of the loss, no lien or encumbrance existed against Lot No. 937; that no co-owner's mortgagee's or lessee's duplicate had every [*sic*] been issued to said title; and that up [*sic*] the present, the said lot is free from any kind whatsoever of encumbrance.

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[260] *Id.* at 2323, Petition for Judicial Reconstitution of Title.

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It appears from tax declaration No. 68447, a copy of which is marked as Exh. I, issued in 1934, that aforecited Lot No. 937 was originally the exclusive property of petitioner's father, Esiguio Uy Godinez, now deceased, the ownership thereto having afterwards been transferred to Mariano Uy Godinez thru inheritance. It may also be relevant to state herein that the issuance of the reconstituted certificate of title is with the conformity of Felisa Sy Vda. De Godinez, the surviving spouse of the deceased Esiguio Uy Godinez, and the petitioner's sisters, Rosario and Concepcion, both surnamed Godinez, as shown in their written conformity marked as Exhibit I.

WHEREFORE, the Register of Deeds of Cebu is hereby ordered to issue a reconstituted Transfer Certificate of Title to Lot No. 937 based on the technical description and the plan SWO-32811 (Exhs. C and D), in the name of Mariano Uy Godinez, of legal age, Filipino, with residence and postal address at the City of Manila.[261]

As a result, Mariano was issued the reconstituted TCT No. RT-6757, and it was on the basis of this title that Mariano filed the Reivindicatoria Complaint[262] in 1997, praying that he be declared as the absolute owner of Lot 937.[263]

However, as earlier stated, the CFI's reconstitution order is void for failing to comply with the jurisprudentially held strict and jurisdictional requirements of Republic Act No. 26. As stated earlier, **being void, all acts and claims emanating therefrom, including the reconstituted TCT No. RT-6757 and the RTC's Decision in the Reivindicatoria Case, have no legal effect**.

As another point of argument in its Memorandum,[264] Mazy's claims that its reconstituted title is valid and invites the Court's attention to Republic Act No. 9443,[265] which provides:

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[261] *Id.* at 2355–2357, CFI Order dated March 1, 1956.

[262] *Id.* at 560–563, Complaint dated January 15, 1997.

[263] *Id.* at 562.

[264] *Id.* at 2795–2796.

[265] An Act Confirming and Declaring, Subject to Certain Exceptions, the Validity of Existing Transfer Certificates of Title and Reconstituted Certificates of Title Covering the Banilad Friar Lands Estate, Situated in the First District of the City of Cebu, approved on May 9, 2007.

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SECTION 1. All existing Transfer Certificates of Title and Reconstituted Certificates of Title duly issued by the Register of Deeds of Cebu Province and/or Cebu City covering any portion of the Banilad Friar Lands Estate, **notwithstanding the lack of signatures and/or approval of the then Secretary of the Interior** (later Secretary of Agriculture and Natural Resources) **and/or the then Chief of the Bureau of Public lands** (later Director of Public Lands) **in the copies of the duly executed Sale Certificates and Assignments of Sales Certificates**, as the case may be, now on file with the Community Environment and Natural Resources Office (CENRO), Cebu City, are hereby confirmed and declared as valid titles and the registered owners recognized as absolute owners thereof.

This confirmation and declaration of validity shall in all respects be entitled to like effect and credit as a decree of registration, binding the land and quieting the title thereto and shall be conclusive upon and against all persons, including the national government and all branches thereof; **except when, in a given case involving a certificate of title or a reconstituted certificate of title, there is clear evidence that such certificate of title or reconstituted certificate of title was obtained through fraud, in which case the solicitor general or his duly designated representative shall institute the necessary judicial proceeding to cancel the certificate of title or reconstituted certificate of title as the case may be, obtained through such fraud**. (Emphasis supplied)

This law has no bearing to the instant case.

Section 18 of Act No. 1120, otherwise known as the Friar Lands Act, states that "No lease or sale made by [the] Chief of the Bureau of Public Lands under the provisions of this Act shall be valid until approved by the Secretary of the Interior." Thus, the Court has ruled that any sale of Friar Lands without such approval is void.[266] In *Manotok IV v. Heirs of Homer L. Barque*,[267] the Court *en banc* clarified that Republic Act No. 9443 was enacted as a curative measure "to exempt the already titled portions of the Banilad

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[266] *See Alonso v. Cebu Country Club, Inc.*, 426 Phil. 61, 83 (2002) [Per J. Pardo, *En Banc*].

[267] 683 Phil. 448 (2012) [Per J. Villarama, Jr., *En Banc*].

Friar Lands Estate from the operation of Section 18."[268] Clearly, therefore, Republic Act No. 9443 will only serve to validate a title issued pursuant to a sale made by the Republic under Act No. 1120 where there has been no compliance with Section 18. This is not the case here. **Republic Act No. 9443 does not have the effect of validating a void reconstituted title resulting from a void judicial reconstitution proceeding. This is even expressly made as an exception in the law**.

To repeat, since the Republic had fully paid just compensation during the expropriation proceedings in 1939, ownership over Lot 937 transferred from Eutiquio to the Republic by operation of law. Therefore, Eutiquio could ***not*** have transmitted any ownership right to Mariano through succession. Mariano sold Lot 937 to Mazy's on February 15, 2018[269] during the pendency of the Cancellation Case. Since Mariano had no right of ownership over Lot 937 to begin with, it follows that he could not have sold or conveyed any such right to Mazy's. This is because "no one can acquire a better right than what the transferor has."[270] Mazy's, as a transferee, merely stepped into the shoes of Mariano, and acquired the rights and obligations as well as the defect in title of the latter.

V. *Determination of Mazy's Status as an Innocent Purchaser for Value*

Be that as it may, the Court has previously ruled that a void title may be the source of a valid title in the hands of an innocent purchaser for value.[271] Mazy's argues that it had a right to rely on the clean title over Lot 937 that Mariano presented to it and that it is an innocent purchaser for value.[272]

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[268] *Id.* at 477–478.

[269] *Rollo*, p. 2749, Mazy's Position Paper dated July 19, 2023.

[270] *Plana v. Chua*, G.R. No. 250636, January 10, 2023 [Per J. Lazaro-Javier, *En Banc*] at 10. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[271] *Spouses Bautista v. Spouses Jalandoni*, 722 Phil. 144, 158 (2013) [Per J. Mendoza, Third Division].

[272] *Rollo*, pp. 2791–2793, Mazy's Memorandum dated July 19, 2023.

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The Court is aware that the determination of good faith is a question of fact which is outside the ambit of a Rule 45 petition for review. The Court is also aware that Mazy's was not afforded an opportunity to present evidence and prove its status as an innocent purchaser for value. While the Court would have wanted to finally write *finis* to this case, the records and submissions of the parties are not sufficient for the Court, even in the interest of judicial economy, to resolve the question of good faith. Moreover, due process demands that Mazy's be granted a full chance to prove its claim of being an innocent purchaser for value, in the same way that the Republic would be given a chance to disprove such claim. The Court thus remands the case to the CA for reception of evidence on this issue.

The Court's remand to the CA to receive evidence on and resolve factual issues identified by the Court is not novel. For instance, in *Republic v. Court of Appeals*,[273] the Court directed the CA to receive evidence and thereafter determine the actual area reclaimed by the Republic Real Estate Corporation and the areas of the Cultural Center Complex which are "open spaces" and/or "areas reserved for certain purposes," before the Court decided the case.[274] Another example is the case of *Manotok Realty, Inc. v. CLT Realty Development Corp.*,[275] where the Court constituted a Special Division of the CA and remanded the case to it to receive evidence on and determine the factual issues identified by the Court.[276] The CA submitted to the Court a sealed report which the Court considered in disposing of the case.[277] Finally, in the fairly recent case of *Republic v. Romero II*,[278] the Court remanded the case to the CA to receive evidence on the authenticity of the Canonical

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[273] 359 Phil. 530 (1998) [Per J. Purisima, *En Banc*].

[274] *Id.* at 552; J. Puno, Concurring Opinion, *id.* at 597–598.

[275] 565 Phil. 59 (2007) [Per J. Tinga, *En Banc*].

[276] *Id.* at 102–103.

[277] *See Manotok Realty, Inc. v. CLT Realty Development Corp.*, 601 Phil. 571 (2009) [Per J. Tinga, *En Banc*].

[278] G.R. Nos. 209180 & 209253, September 11, 2019 [Notice, Special First Division].

Judgment involved therein, before ultimately deciding the case on the merits.[279] As in the foregoing cases, the Court remands the case to the CA for reception of evidence and resolution of the issues identified in this Decision.

The Court here takes pause to revisit the pertinent legal principles surrounding the innocent purchaser for value doctrine that would guide the CA's resolution of the issues to be remanded to it.

The good faith of an innocent purchaser for value consists of the "belief that the person from whom he [or she] received the [property] was the owner of the same and could convey his [or her] title. Good faith, while it is always to be presumed in the absence of proof to the contrary, requires a well[-]founded belief that the person from whom title was received was himself [or herself] the owner of the land, with the right to convey it."[280]

The burden of proving that one is an innocent purchaser for value, being a matter of defense, is upon the party asserting the same.[281] Moreover, such party must prove the same by clear and convincing evidence.[282]

To establish this good faith, it is generally enough for the purchaser to rely on the face of the Torrens title. In *Heirs of Isabelo Cudal, Sr. v. Spouses Suguitan*,[283] the Court ruled that a purchaser of registered land for value may safely rely on the

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[279] *See Republic v. Romero II*, G.R. Nos. 209180 & 209253, December 6, 2022 [Notice, *En Banc*].

[280] *Sigaya v. Mayuga*, 504 Phil. 600, 613 (2005) [Per J. Austria-Martinez, Second Division]. (Citation omitted)

[281] J. Caguioa, Concurring Opinion in *Duenas v. Metropolitan Bank and Trust Co.*, G.R. No. 209463, November 29, 2022 [Per J. Hernando, *En Banc*] at 10. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[282] *See Billote v. Spouses Badar*, G.R. No. 236140, April 19, 2023 [Third Division, per J. Caguioa] at 30. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[283] 880 Phil. 347 (2020) [Per J. J. Reyes, Jr., First Division].

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face of the title to the property without exploring beyond its four corners. This is enough to make him or her an innocent purchaser for value ***but only if the following conditions are present***: (1) the seller is the registered owner of the land; (2) the land is in the possession of the registered owner; and (3) at the time of the sale, the buyer was not aware of any claim or interest of some other person in the property, or of any defect or restriction in the title of the seller or in his or her capacity to convey the title.[284] Thus:

> A holder of registered title may invoke the status of a buyer for value in good faith as a defense against any action questioning his title. Such status, however, is never presumed but must be proven by the person invoking it.
>
> A buyer for value in good faith is one who buys property of another, without notice that some other person has a right to, or interest in, such property and pays full and fair price for the same, at the time of such purchase, or before he has notice of the claim or interest of some other persons in the property. He buys the property with the well-founded belief that the person from whom he receives the thing had title to the property and capacity to convey it.
>
> To prove good faith, a buyer of registered and titled land need only show that he relied on the face of the title to the property. He need not prove that he made further inquiry for he is not obliged to explore beyond the four corners of the title. Such degree of proof of good faith, however, is sufficient only when the following conditions concur: **first**, the seller is the registered owner of the land; **second**, the latter is in possession thereof; and **third**, at the time of the sale, the buyer was not aware of any claim or interest of some other person in the property, or of any defect or restriction in the title of the seller or in his capacity to convey title to the property.
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> **Absent one or two of the foregoing conditions, then the law itself puts the buyer on notice and obliges the latter to exercise a higher degree of diligence by scrutinizing the certificate of title and examining all factual circumstances in order to determine the seller's title and capacity to transfer any interest in the property.** Under such

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[284] *Id*. at 359, *citing Spouses Bautista v. Silva*, 533 Phil. 627, 639 (2006) [Per J. Austria-Martinez, First Division].

circumstance, it is no longer sufficient for said buyer to merely show that he relied on the face of the title; he must now also show that he exercised reasonable precaution by inquiring beyond the title. Failure to exercise such degree of precaution makes him a buyer in bad faith.[285] (Emphasis supplied; citation omitted)

Absent any of the foregoing conditions, the buyer may still establish his or her good faith status by showing that he or she "exercised reasonable precaution by inquiring beyond the title. Failure to exercise such degree of precaution makes him [or her] a buyer in bad faith."[286]

Purchasers are required to investigate further because "[they] cannot close their eyes to known facts that should put a reasonable person on guard and subsequently claim to have acted in good faith in the belief that there was no defect in the vendor's certificate of title. Their mere refusal to face up to that possibility will not make them innocent purchasers for value if it later becomes apparent that the title was indeed defective and that they would have discovered the fact had they acted with the measure of precaution required of a prudent person in a similar situation."[287]

But what is the nature and extent of the precaution and inquiry required from the purchaser to establish his or her good faith status? Following jurisprudence, the buyer "must exercise due diligence, conduct an investigation, and weigh the surrounding facts and circumstances like what any prudent man in a similar situation would do."[288] This diligence expected from the purchaser is "not that of a person with training in law, but rather that of an average man who 'weighs facts and circumstances without resorting to the calibration of our technical rules of evidence of

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[285] *Id.* at 359–360.

[286] *Id.* at 360.

[287] *Sulit v. Alfonso*, G.R. No. 230599, January 20, 2021, 970 SCRA 70, 87 [Per J. Inting, Third Division].

[288] *Philippine National Bank v. Heirs of Estanislao and Deogracias Militar*, 526 Phil. 788, 796–797 (2006) [Per J. Ynares-Santiago, Special First Division].

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which his knowledge is nil.' Rather, he relies on the calculus of common sense of which all reasonable men have an abundance."[289]

In *Nobleza v. Nuega*,[290] the Court stated that:

A buyer in good faith does his homework and verifies that the particulars are in order — such as the title, the parties, the mode of transfer and the provisions in the deed/contract of sale, to name a few. To be more specific, such prudence can be shown by making an ocular inspection of the property, checking the title/ownership with the proper Register of Deeds alongside the payment of taxes therefor, or inquiring into the minutiae such as the parameters or lot area, type of ownership, and the capacity of the seller to dispose of the property, which capacity necessarily includes an inquiry into the civil status of the seller to ensure that if married, marital consent is secured when necessary. In fine, for a purchaser of a property in the possession of another to be in good faith, he must exercise due diligence, conduct an investigation, and weigh the surrounding facts and circumstances like what any prudent man in a similar situation would do.[291] (Citations omitted)

In another case, the Court enumerated examples of precautionary measures that a reasonably prudent person would do in purchasing registered land:

Thus, in *Domingo Realty, Inc. v. CA*, we emphasized the need for prospective parties to a contract involving titled lands to exercise the diligence of a reasonably prudent person in ensuring the legality of the title, and the accuracy of the metes and bounds of the lot embraced therein, by undertaking precautionary measures, such as:

1. Verifying the origin, history, authenticity, and validity of the title with the Office of the Register of Deeds and the Land Registration Authority;

2. Engaging the services of a competent and reliable geodetic engineer to verify the boundary, metes, and bounds of the lot subject of said title based on the technical description in the said

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[289] *Sia Tio v. Abayata*, 578 Phil. 731, 747 (2008) [Per J. Austria-Martinez, Third Division].

[290] 755 Phil. 656 (2015) [Per J. Villarama, Jr., Third Division].

[291] *Id.* at 664.

title and the approved survey plan in the Land Management Bureau;

3. Conducting an actual ocular inspection of the lot;

4. Inquiring from the owners and possessors of adjoining lots with respect to the true and legal ownership of the lot in question;

5. Putting up of signs that said lot is being purchased, leased, or encumbered; and

6. Undertaking such other measures to make the general public aware that said lot will be subject to alienation, lease, or encumbrance by the parties.[292]

In dealing with lands covered by reconstituted titles, the Court has ruled that the reconstituted title itself is a circumstance that should already alert the purchaser to make the necessary investigations behind such title.[293]

As to the extent of the inquiry, the case of *Spouses Bautista v. Silva*,[294] though not on all fours with this case, may serve as guidance. In that case, the Court ruled that the test to determine the purchaser's good faith is whether he or she had the choice of knowing the truth behind an alleged defect (in that case, a forged Special Power of Attorney). If he or she had such a choice, and chose to not know the truth, then he or she cannot be considered in good faith should the defect later turn out to be prejudicial to his or her title.[295]

In the recent case of *Duenas v. Metropolitan Bank and Trust Co.*,[296] the Court further clarified the "good faith" requirement and ruled that "buyers of registered land must be continuing

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[292] *Locsin v. Hizon*, 743 Phil. 420, 430–431 (2014) [Per J. Velasco, Jr., Third Division].

[293] *See Republic v. Court of Appeals*, 183 Phil. 426, 433 (1979) [Per J. Aquino, Second Division]; *see also Barstowe Philippines Corp. v. Republic*, 548 Phil. 86, 123–124 (2007) [Per J. Chico-Nazario, Third Division].

[294] *Supra* note 284.

[295] *See id.* at 641–642.

[296] G.R. No. 209463, November 29, 2022 [Per J. Hernando, *En Banc*].

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purchasers for value and in good faith until the registration of the conveyance. In the event a buyer of registered land who has yet to register the conveyance is made aware of any claim or interest of some other person in the property, or of any defect or restriction in the title of the seller or in his or her capacity to convey title, the buyer shall no longer be considered to be in good faith even if he or she subsequently registers the conveyance. It is only upon registration of the conveyance in good faith will the purchaser acquire such rights and interest as they appear in the certificate of title, unaffected by any prior lien or encumbrance not noted therein."[297]

It must also be remembered that when the State is concerned, the general rule is that it cannot be estopped by the omission, mistake, or error of its officials or agents.[298] However, the principle of equitable estoppel may still operate against the State if two conditions are present: (1) the land was already alienated to an innocent purchaser for value; and (2) the government did not undertake any act to contest the title for an unreasonable length of time.[299] "The principle of equitable estoppel states that where one or two innocent persons must suffer a loss, he who by his conduct made the loss possible must bear it."[300]

With respect to transactions involving properties which are the subject of litigation, the rule is that once a purchaser of property has actual or constructive knowledge of a pending litigation involving the property, he or she is bound by the outcome of the pending litigation, regardless of whether such purchaser was made

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[297] *Id.* at 29. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

[298] *Belizario v. Department of Environment and Natural Resources*, G.R. No. 231001, March 24, 2021, 978 SCRA 619, 635, and 637 [Per J. Caguioa, First Division].

[299] *Republic v. Sundiam*, 880 Phil. 254, 264 (2020) [Per J. Caguioa, First Division].

[300] *Veloso v. Court of Appeals*, 329 Phil. 398, 408 (1996) [Per J. Torres, Jr., Second Division].

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a party to such case. The Court's ruling in *Yu v. Court of Appeals*[301] is instructive:

> Once annotated upon the original copy, the notice of *lis pendens* is "an announcement to the whole world that a particular real property is in litigation, serving as a warning that one who acquires an interest over said property does so at his own risk, or that he gambles on the result of the litigation over said property." . . . And one who deals with property subject of a notice of *lis pendens* cannot invoke the right of a purchaser in good faith; neither can he have acquired better rights than those of his predecessor-in-interest. . . . A transferee *pendente lite* stands exactly in the shoes of the transferor and is bound by any judgment or decree which may be rendered for or against the transferor; his title is subject to the incidents and results of the pending litigation, and his transfer certificate of title will, in that respect, afford him no special protection.[302] (Citations omitted)

In *Voluntad v. Spouses Dizon*,[303] the Court ruled that even if the notice of *lis pendens* had already been cancelled at the time of the purchase because of the trial court's dismissal of the complaint, the purchaser should still have inquired from the trial court on whether the dismissal had attained finality. According to the Court, "[t]he annotation in the title that the property was involved in a suit should have prompted the prudent purchaser to inquire and verify if the suit was finally terminated and the property freed from any legal infirmity or judicial inquiry."[304] Had the purchaser done so, it would have revealed that the case was pending on appeal by the plaintiffs therein.

The Court now references the foregoing principles to guide the CA's determination of whether Mazy's is an innocent purchaser for value.

To determine whether Mazy's is an innocent purchaser for value, the CA must ascertain what facts and information were

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[301] 321 Phil. 897 (1995) [Per J. Panganiban, Third Division].

[302] *Id.* at 902–903.

[303] 372 Phil. 82 (1999) [Per J. Bellosillo, Second Division].

[304] *Id.* at 90.

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known to it at the time of the purchase, and what investigation or inquiry, if any, it conducted in exercising due diligence, if at all, especially since it was dealing with a reconstituted title. Of equal importance, the CA must determine whether Mazy's had actual or constructive knowledge of the pendency of the Cancellation Case at the time it purchased the property from Mariano, as this has a direct bearing on the claim of good faith and acquiring the status of an innocent purchaser for value.

As well, if Mazy's is able to establish its status as an innocent purchaser for value, it may resist the Republic's claim of ownership if it is able to show that the Republic is guilty of laches in asserting its ownership rights.

Thus, in resolving these issues, the CA is directed to determine the following:

(1) At the time Mazy's purchased the property from Mariano, what facts and information did it obtain relative to Mariano's right to own and the status or condition of the property?

(2) At the time of the purchase in 2018, was Mazy's aware of the Republic's claim in its 2013 complaint in the Cancellation Case that just compensation had in fact been paid by the Republic as evidenced by the Provincial Voucher which was not considered by the decisions in the Reivindicatoria and Reconstitution Cases?

(3) Did Mazy's have actual or constructive knowledge of the pendency of the Cancellation Case at the time it purchased the property? And if it did, how did that knowledge impact on its decision to still purchase the property?

(4) Did Mazy's have knowledge, whether actual or constructive, of any circumstance, fact, or information that should have alerted it of the existence of the Provincial Voucher or of the defects in Mariano's petition for reconstitution?

(5) What would a reasonable prudent person, in the shoes of Mazy's, do, given such knowledge?

(6) What investigation, or inquiry, if any, did Mazy's make to verify the Republic's claims, or did Mazy's simply choose to gamble or close its eyes to the possibility that the Republic's claims have merit?

(7) Is the Republic guilty of laches? If so, how was it guilty of laches?

The foregoing factual issues arise because, as the Court again recognizes, the case was dismissed without benefit of trial. Accordingly, Mazy's has not been granted a full opportunity to assert and prove any other defense on the merits that it may have against the Republic's claim of ownership. Due process considerations demand that Mazy's be granted a full chance to establish and prove any other defense on the merits that Mazy's may have against the Republic which has not yet been disposed of in this Decision. As well, this remand cuts both ways, as the Republic should also have an equal opportunity to confront and disprove such claim or defense. Thus, as the Court takes the opportunity to provide the foregoing guidelines, the issues so enumerated above are without prejudice to such other issues that the parties may legitimately raise before the CA which have not yet been resolved in this Decision.

At this point, it must be repeated that jurisdiction over the issues, as opposed to subject matter jurisdiction, is determined by the allegations in the parties' pleadings and submissions.[305] Again, based on the parties' submissions in this case, their arguments ultimately center on their conflicting claims of ownership over Lot 937. The CA therefore has jurisdiction to settle the question of who between Mazy's and the Republic has a better title to Lot 937, with due consideration of the factual and legal findings of the Court in this Decision.

WHEREFORE, the Petition is **DENIED** for lack of merit. The following are hereby declared **NULL** and **VOID**: (a) the Order dated March 1, 1956 issued by the Court of First Instance

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[305] *See Denila v. Republic, supra* note 124, at 444, *citing Navaja v. De Castro, supra* note 124, at 153.

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of Cebu in G.L.R.O. Record No. 5988 (Lot No. 937); (b) the reconstituted Transfer Certificate of Title No. RT-6757 in the name of Mariano Godinez; and (c) the Decision dated April 18, 2002 issued by Branch 9, Regional Trial Court of Cebu City, in Civil Case No. CEB-19845.

The instant case is hereby **REMANDED** to the Court of Appeals for further proceedings to hear and resolve with reasonable dispatch the issue of whether or not Mazy's Capital, Inc. is an innocent purchaser for value, whether the Republic is guilty of estoppel, and any other defense or claim that the parties may raise which has not yet been disposed of in this Decision, in accordance with this Decision. The Court of Appeals is hereby **DIRECTED** to cause the raffle of the case for purposes of this remand. Thereafter, the Court of Appeals is **DIRECTED** to submit to the Court its resolution in a sealed report. The Court of Appeals is tasked to hear and receive evidence, conclude the proceedings, and submit to this Court a report on its findings and recommended conclusions within three (3) months from finality of this Decision.

SO ORDERED.

Inting, Gaerlan, Dimaampao, and *Singh, JJ.*, concur.

APPEARANCES OF COUNSEL

Abrenica & Velez Law Offices for petitioner.
Office of the Solicitor General for respondent.