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SECOND DIVISION

[G.R. No. 198026. November 28, 2018]

NARCISO MELENDRES, SUBSTITUTED BY HIS WIFE, OFELIA MELENDRES AND CHILDREN JOSE MARI MELENDRES, AND NARCISO MELENDRES, JR., *petitioners, vs.* **ALICIA CATAMBAY, LORENZA BENAVIDEZ, IN SUBSTITUTION OF HER HUSBAND EDMUNDO BENAVIDEZ, AND THE REGISTER OF DEEDS OF RIZAL (MORONG BRANCH),** *respondents.*

SYLLABUS

1. REMEDIAL LAW; PETITION FOR REVIEW ON *CERTIORARI* UNDER RULE 45 OF THE RULES OF COURT; SHALL RAISE ONLY QUESTIONS OF LAW; EXCEPTIONS.— Rule 45, Section 1 of the Rules of Court is unequivocal in stating that an appeal *via* petition for review on *certiorari* under Rule 45 shall raise only questions of law which must be distinctly set forth. The Court is not a trier of facts and does not normally undertake the re-examination of the evidence presented by the contending parties during the trial of the case considering that the findings of facts of the lower courts are conclusive and binding upon the Court. However, the Court has ruled in a *catena* of cases that such rule is not inflexible. The Court has recognized several exceptions to the rule that only questions of law can be raised in a Rule 45 petition. Questions of fact may be revisited by the Court: (1) when the findings are grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the findings of facts are conflicting; (6) when in making its findings the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (7) when the findings are contrary to the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when

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the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and (11) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.

2. **CIVIL LAW; LAND TITLES AND DEEDS; TORRENS SYSTEM; THE INCONTESTIBLE AND INDEFEASABLE CHARACTER OF A TORRENS CERTIFICATE OF TITLE DOES NOT OPERATE WHEN THE LAND COVERED THEREBY IS NOT CAPABLE OF REGISTRATION; AN ACTION FOR RECONVEYANCE IS A RECOGNIZED REMEDY AVAILABLE TO A PERSON WHOSE PROPERTY HAS BEEN WRONGFULLY REGISTERED UNDER THE TORRENS SYSTEM IN ANOTHER'S NAME.—** While the Court is not unaware that upon the expiration of one year, the decree of registration and the certificate of title issued shall become incontrovertible and indefeasible, the indefeasibility of title could be claimed only if a previous valid title to the same parcel of land does not exist. As a matter of fact, an action for reconveyance is a recognized remedy available to a person whose property has been wrongfully registered under the Torrens system in another's name; reconveyance is always available as long as the property has not passed to an innocent third person for value. Further, the incontestable and indefeasible character of a Torrens certificate of title does not operate when the land covered thereby is not capable of registration.

3. **ID.; ID.; COMMONWEALTH ACT No. 141 (PUBLIC LAND ACT); SECTION 44, CHAPTER VI THEREOF; REQUISITES FOR THE ISSUANCE OF A FREE PATENT; NOT ESTABLISHED IN CASE AT BAR.—** Section 44, Chapter VI of Commonwealth Act No. 141 or the Public Land Act, states that a free patent may issue in favor of an applicant **only if** (1) the applicant has continuously occupied and cultivated, either by himself or through his predecessors-in-interest, a tract or tracts of agricultural public lands subject to disposition, or (2) who shall have paid the real estate tax thereon while the same has not been occupied by any person. A hard second look at the factual findings of the various courts and administrative

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bodies, as well as the evidence on record, reveals that Free Patent No. (IV-1) 001692 issued in favor of Alejandro did not satisfy the abovementioned requisites for the issuance of a free patent, making it null and void.

4. **REMEDIAL LAW; EVIDENCE; FINDINGS OF FACT OR ADMINISTRATIVE BODIES ARE GENERALLY ACCORDED GREAT RESPECT, IF NOT FINALITY, BY THE COURTS BY REASON OF THE SPECIAL KNOWLEDGE AND EXPPERTISE OF SAID ADMINISTRATIVE AGENCIES OVER MATTERS FALLING UNDER THEIR JURISDICTION.—** [I]t must be stressed that the findings of fact of administrative bodies, such as the DARAB, will not be interfered with by the courts in the absence of grave abuse of discretion on the part of the former, or unless the aforementioned findings are not supported by substantial evidence. **Findings of fact by administrative agencies are generally accorded great respect, if not finality, by the courts by reason of the special knowledge and expertise of said administrative agencies over matters falling under their jurisdiction**.

5. **CIVIL LAW; OWNERSHIP; WHILE IT IS TRUE THAT THE TAX RECEIPTS AND TAX DECLARATIONS ARE NOT INCONTROVERTIBLE EVIDENCE OF OWNERSHIP, THEY CONSTITUTE CREDIBLE PROOF OF A CLAIM OF TITLE OVER THE PROPERTY; CASE AT BAR.—** While tax declarations are not *per se* conclusive evidence of ownership, they cannot simply be ignored especially where, as here, since the 1940s, Tax Declarations had already been registered in the name of petitioners' predecessors-in-interest. While it is true that tax receipts and tax declarations are not incontrovertible evidence of ownership, **they constitute credible proof of a claim of title over the property**. Coupled with actual possession of the property, **tax declarations become strong evidence of ownership.** The voluntary declaration of a piece of property for taxation purposes manifests not only one's sincere and honest desire to obtain title to the property and announces his adverse claim against the State and all other interested parties, but also the intention to contribute needed revenues to the Government. **Such an act strengthens one's *bona fide* claim of acquisition of ownership.** Hence, the constant filing by the Melendreses of tax declarations covering the subject

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property spanning several decades, taken together with the other pieces of evidence, shows that petitioners' claim of title over the subject property is consistent, providing sufficient basis in proving their possession over the said property.

6. ID.; LAND TITLES AND DEEDS; COMMONWEALTH ACT No. 141 (PUBLIC LAND ACT); REQUISITES TO BE ENTITLED TO A CERTIFICATE OF TITLE; OPEN, CONTINUOUS, EXCLUSIVE, AND NOTORIOUS POSSESSION AND OCCUPATION BY THEMSELVES OR THROUGH THEIR PREDECESSORS-IN-INTEREST OF AGRICULTURAL LANDS OF THE PUBLIC DOMAIN, UNDER A BONA FIDE CLAIM OF ACQUISITION OR OWNERSHIP, FOR AT LEAST 30 YEARS IMMEDIATELY PRECEDING THE FILING OF THE APPLICATION FOR CONFIRMATION OF TITLE EXCEPT WHEN PREVENTED BY WAR OR *FORCE MAJEURE*; CASE AT BAR.— [T]aking all the available evidence on record, and recognizing the persuasive effect of factual findings made by different administratrive agencies and courts, the Court finds and so holds that (a) respondent Catambay and her predecessor-in-interest did not actually occupy the subject property, (b) that respondent Catambay and her predecessor-in-interest actually occupied and cultivated the adjoining property adjacent to the subject property and not the subject property, and (3) that petitioners, through their predecessors-in-interest, have actually, publicly, openly, adversely and continuously possessed the subject property in the concept of an owner since the 1940s, cultivating the said property as a rice field. **The open, exclusive and undisputed possession of alienable public land for the period prescribed by law creates the legal fiction whereby the land, upon completion of the requisite period, *ipso jure* and without the need of judicial or other sanction, ceases to be public land and becomes private property.** In connection with the foregoing doctrine, the Public Land Act states that those who by themselves or through their predecessors-in-interest have been in open, continuous, exclusive, and notorious possession and occupation of agricultural lands of the public domain, under a *bona fide* claim of acquisition or ownership, for at least 30 years immediately preceding the filing of the application for confirmation of title except when prevented by war or *force majeure* shall be conclusively presumed to have

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performed all the conditions essential to a Government grant and shall be entitled to a certificate of title.

7. ID.; ID.; TORRENS SYSTEM; ACTION FOR RECONVEYANCE; THE STATE, REPRESENTED BY THE SOLICITOR GENERAL, IS NOT THE REAL PARTY-IN-INTEREST IN THE NULLIFICATION OF A FREE PATENT AND TITLE AS THERE WAS NO REVERSION OF THE DISPUTED PROPERTY TO THE PUBLIC DOMAIN.— An action for reversion involves property that is alleged to be of State ownership, aimed to be reverted to the public domain. As held by the Court in *Heirs of Santiago v. Heirs of Santiago*, there is no merit to the contention that only the State may bring an action for reconveyance with respect to property proven to be private property by virtue of open, continuous, exclusive and notorious possession. The nullification of the free patent and title would not therefore result in its reversion to the public domain. Hence, the State, represented by the Solicitor General, is not the real party-in-interest; inasmuch as there was no reversion of the disputed property to the public domain, the State is not the proper party to bring a suit for reconveyance. In the instant case, by virtue of the actual, public, open, adverse, and continuous possession of the subject property by petitioners in the concept of an owner since 1940s, the subject property ceased to be a land of the public domain and became private property.

8. ID.; ID.; ID.; INDEFEASIBILITY OF TITLE DOES NOT EXTEND TO TRANSFEREES WHO TAKE THE CERTIFICATE OF TTILE IN BAD FAITH; THE BURDEN OF PROVING THE STATUS OF AN INNOCENT PURCHASER FOR VALUE AND IN GOOD FAITH LIES UPON HIM WHO ASSERTS THAT STATUS; CASE AT BAR.— Despite the fact that the title of respondents Sps. Benavidez is traced from the defective title of respondent Catambay, the Court takes notice of the rule that the purchaser of a piece of property is not required to explore further than what the Certificate indicates on its face. This rule, however, applies only to **innocent purchasers for value and in good faith**; it excludes a purchaser who has knowledge of a defect in the title of the vendor, or of facts sufficient to induce a reasonable prudent man to inquire into the status of the property. Time and time again, this Court has stressed that registration

does not vest, but merely serves as evidence of, title. Our land registration laws do not give the holders any better title than that which they actually have prior to registration. Mere registration is not enough to acquire a new title. Good faith must concur. One cannot rely upon the indefeasibility of a TCT in view of the doctrine that the defense of indefeasibility of a Torrens title does not extend to transferees who take the certificate of title in bad faith. In a long line of cases, the Court has defined a purchaser in good faith or innocent purchaser for value as one who buys property and pays a full and fair price for it at the time of the purchase or before any notice of some other person's claim on or interest in it. It has been held that **the burden of proving the status of a purchaser in good faith lies upon him who asserts that status and it is not sufficient to invoke the ordinary presumption of good faith, that is, that everyone is presumed to have acted in good faith.** To stress, the *onus probandi* is borne by respondents Sps. Benavidez to prove that they are innocent purchasers in good faith and for value. Upon exhaustive review of the records of the instant case, the Court is very much convinced that respondents Sps. Benavidez failed to satisfy this burden.

APPEARANCES OF COUNSEL

A.r. Fulgado & Associates for petitioners.
Angara Abello Concepcion Regala & Cruz for respondents.

D E C I S I O N

CAGUIOA, *J.*:

Before the Court is a Petition for Review on *Certiorari*[1] (Petition) under Rule 45 of the Rules of Court filed by the now deceased petitioner Narciso Melendres (Narciso), substituted by his wife, Ofelia Melendres, and children Jose Mari Melendres and Narciso Melendres, Jr., assailing the Decision[2] dated May

[1] *Rollo*, pp. 17-75.

[2] *Id.* at 87-105. Penned by Associate Justice Remedios A. Salazar-Fernando, with Associate Justices Celia C. Librea-Leagogo and Elihu A. Ybañez concurring.

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27, 2011 (assailed Decision) and Resolution[3] dated August 3, 2011 (assailed Resolution) issued by the Court of Appeals (CA) Special Second Division and Former Special Second Division, respectively in CA-G.R. CV No. 93082, which affirmed the Decision[4] dated September 14, 2007 of the Regional Trial Court of Morong, Rizal, Branch 80 (RTC) in Civil Case No. 324-T.

The Facts and Antecedent Proceedings

As narrated by the CA in its assailed Decision, and as culled from the records of the case, the essential facts and antecedent proceedings of the instant case are as follows:

> [The instant case is centered on a **1,622-square-meter property** located in Plaza Aldea, Tanay, Rizal, described as **Lot No. 3302**, Cad-393, Tanay Cadastre (subject property).]
>
> [Petitioner Narciso claimed that] he inherited the [subject property] from Ariston Melendres [(Ariston)], who died on January 1, 1992[.]
>
> [Petitioner Narciso likewise alleged that respondent] Alicia Catambay's [(Catambay) predecessor-in-interest, Alejandro Catambay (Alejandro),] like the other previous tenants and adjoining farmers of the subject property, [had previously] attested that he and Ariston owned the subject property, which had an original area of 13,742 square meters[,] and [that Petitioner Narciso and his father Ariston] were actually, publicly, openly, adversely and continuously in possession of the subject property for more than thirty (30) years[.]
>
> [Petitioner Narciso also maintained that] they planted it with palay on a regular seasonal basis; the subject property became a private land by operation of law and it may not be treated as a public land falling under the jurisdiction of the Bureau of Lands for the purpose of issuance of Homestead Patent[.] [Petitioner Narciso also asserted that] Ariston paid the taxes on the subject property [as evidenced by various tax declaration receipts spanning several years.]
>
> [Petitioner Narciso also alleged that what respondent] Catambay [actually owns is] the 1,353-square-meter parcel of land adjoining the subject property [on the eastern side of the subject property, which

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[3] *Id.* at 108-109.

[4] *Rollo*, pp. 76-85. Penned by Judge Maria Teresa Cruz-San Gabriel.

respondent Catambay inherited] from the late Alejandro[.] [Immediately adjoining the aforesaid 1,353-square-meter lot of respondent Catambay on the eastern side is a parcel of land owned by a certain Mercedes Amonoy (Amonoy).]

[According to petitioner Narciso,] in 1971, unknown to him and Ariston, a Cadastral Survey Team from the Bureau of Lands surveyed the subject property, the property of [respondent] Catambay, and other properties in Barangay Plaza Aldea, Tanay, Rizal[.]

[An alleged] gross error [was] committed by the [Cadastral Survey Team of the Bureau of Lands, which] resulted in the reduction of the original area of the subject property from 13,742 square meters to 4,762 square meters[, docketed as **Lot No. 3300**]. **Original Certificate of Title [(OCT)] No. 1112**, which contains an area of only 4,762 square meters, was issued to Ariston[.]

On the other hand, **OCT No. M-2177** for **Lot No. 3302**[, which covers the subject property] was [supposedly mistakenly] issued [in favor of Alejandro] with an area of 1,622 square meters[.] [Upon the death of Alejandro,] Transfer Certificate of Title [(TCT)] No. M-28802 was issued [in favor of respondent Catambay after the extrajudicial settlement of the estate of Alejandro.]

[Eventually, **TCT No. M-28802 was cancelled and TCT No. M-39517 was issued in favor of respondents Spouses Edmundo (Edmundo) and Lorenza (Lorenza) Benavidez (collectively, respondents Sps. Benavidez) who bought the property from respondent Catambay**]

[Petitioner Narciso] discovered the grave errors in the survey and registration of the subject property sometime on September 13, 1989 and brought the same to the attention of [respondent] Catambay who pointed to [respondent] Edmundo as her persistent buyer of the subject property[.]

[***DENR Case***]

[O]n November 24, 1989, a petition for reinvestigation was filed [by petitioner Narciso] before the [Community Environment and Natural Resources Office (CENRO) of the Department of Environment and Natural Resources (DENR)] in Taytay, Rizal. It was claimed by [petitioner Narciso] that a serious error was committed by the Cadastral Survey Team of the Bureau of Lands in the conduct of the cadastral survey of Cad-393 of the Tanay Cadastre.]

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[O]n December 12, 1989, the CENRO ordered [respondents] Catambay and Edmundo to observe and maintain the status quo on the subject property until such time that the case is finally resolved by the said office[.]

[According to petitioner Narciso,] in spite of his written advice [to respondents Catambay and Edmundo] to desist from any untoward action or from performing any act that would disturb or alter the status quo condition of the subject property, [respondents Sps. Benavidez] proceeded with the possession and occupation of the subject property by putting filling materials on it and converting it into a commercial area[, specifically a gasoline station.]

[In its Order[5] dated January 21, 1993, the DENR Regional Office No. IV denied the petition filed by petitioner Narcisio, holding that there was no error committed in the cadastral survey of the Tanay Cadastre.

The matter was elevated to the Office of the Secretary, DENR, which, in a Decision[6] dated June 27, 1995, denied the appeal for lack of merit.

The matter was again elevated to the Office of the President (OP), which, in a Decision[7] dated June 30, 2003, reversed the decisions of the DENR Regional Office and the Office of the Secretary, directing the DENR to institute reversion proceedings respecting Lot Nos. 3302 and 3304 so that appropriate free patents and corresponding titles be issued in favor of petitioner Narciso, respondent Catambay, and Mercedes Amonoy.

In the OP's Decision, the OP found that based on the evidence on record and the findings of the DENR investigators themselves, "the area being actually worked and cultivated by [respondent] Catambay through her overseer was included in the title of [Amonoy]"[8] and not the subject property. The OP also found that petitioner Narciso

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[5] Records, pp. 709-713.

[6] *Id*. at 714-719.

[7] *Id*. at 842-847.

[8] *Id*. at 845, quoting the Investigation Report dated January 15, 1990 of Miguel Zacarias, Land Investigator and Acting Chief of the Investigation Section, CENRO DENR Region IV.

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and his predecessors-in-interest were the ones "in actual possession" of the subject property and that petitioner Narciso "was still occupying and tilling the same area, which was not actually possessed and occupied by both Catambay and Amonoy." Further, the OP held that the OCT issued in favor of Catambay is "void".][9]

[***Forcible Entry Case***]

[During the pendency of the abovementioned petition for reinvestigation filed before the CENRO, petitioner Narciso] sued [respondent] Edmundo for Forcible Entry and Damages with Prayer for Preliminary Injunction and Restraining Order before the Municipal Trial Court of Tanay, Rizal [(MTC)].

[On January 14, 1994 the MTC declared Ariston as the rightful possessor of the land in controversy and ordering respondent Edmundo to remove the improvements introduced on the property and to vacate and restore petitioner Narciso to its physical possession.[10]

The MTC considered the admission of respondent Edmundo that he proceeded in filling the subject lot with soil and other filling materials and constructed a gasoline station thereon without asking permission from tenant Mendez. The MTC disregarded the claim of respondent Edmundo that he was the owner of the land as ownership of the property was not material in actions for recovery of possession. Moreover, such claim of ownership, even if valid, was belied by the Deed of Sale respondent Edmundo presented before the MTC as it was only executed on February 5, 1990 or more than two (2) months after the date of his unlawful entry on November 29, 1989.[11]

On appeal, the RTC reversed the decision of the MTC. It held that the issue involved in the case was not merely physical or *de facto* possession but one of title to or ownership of the subject property; consequently, the MTC did not acquire jurisdiction over it.[12]

Petitioner Narciso appealed the case to the CA Special Twelfth Division. The appellate court sustained the arguments of petitioner Narciso. It reversed the decision of the RTC and reinstated that of

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[9] *Id*. at 847.

[10] See *Benavidez v. CA*, 372 Phil. 615, 619 (1999).

[11] *Id*. at 620.

[12] *Id*.

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the MTC, affirming the latter court's decision ejecting respondent Edmundo from the subject property. The matter was then elevated to the Court.[13]

This Court, in *Edmundo Benavidez v, Court of Appeals*[14] (*Benavidez v. CA*), sustained the CA, Special Twelfth Division's Decision, affirming the ejectment of respondent Edmundo from the subject property.

In the said case, the Court, in sustaining the CA, Special Twelfth Division's Decision affirming the ejectment of respondent Edmundo from the subject property, upheld the MTC's finding that Ariston Melendres is the rightful possessor of the subject property.[15]

The Court also sustained the MTC's assessment that a prior judgment issued by the Department of Agrarian Reform Adjudicatory Board (DARAB) declaring Mendez, who is the tenant of petitioners, as the agricultural tenant of the subject lot and ordering respondents to reinstate Mendez to the possession of the property was a persuasive proof of possession by petitioners through their agricultural tenant, Mendez.[16]]

[***DARAB Case***]

[[Petitioner Narciso] and his tenant, Mendez, likewise filed a complaint for illegal conversion against respondents Catambay and Benavidez before the [DARAB]. The case titled *Ariston Melendres, rep. by Narciso Melendres, Jr., and Felino Mendez v. Alicia Catambay, rep. by the Heirs of Alejandro Catambay and Edmundo Benavidez*, was docketed as DARAB Case No. IV-Ri-369-91.]

[O]n March 4, 1992, the DARAB found [respondent] Edmundo guilty of illegal conversion and ordered the payment of damages to him and Mendez. [T]he DARAB [D]ecision[17] became final and executory and a writ of execution was issued on August 24, 1992[.]

[In the aforementioned Decision, the DARAB found that "the records are replete with evidence adequately establishing the claim

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[13] *Id*. at 621.

[14] 372 Phil. 615 (1999).

[15] *Id*.

[16] *Id*.

[17] Records, pp. 396-406.

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of [petitioner Narciso and Mendez] that they were in possession of the landholding in question until they were ejected by the Respondents in 1989."[18]

The DARAB ordered respondents Catambay and Edmundo to pay petitioners' tenant, Mendez, ₱61,875.00 as disturbance compensation. In an [Acknowledgment][19] dated November 5, 1992, tenant Mendez certified that he had received an amount of ₱61,875.00 from respondents in compliance with the DARAB's Decision.]

[The Instant Complaint for Annulment of Deed of Absolute Sale with Reconveyance]

[On November 6, 1992, [petitioner Narciso] filed before the RTC a Complaint for Annulment of Deed of Absolute Sale with Reconveyance and Damages with Prayer for Preliminary Injunction and Restraining Order against [respondents] Catambay, [the Sps. Benavidez,] and the Register of Deeds of Rizal, Morong Branch [(RD)]. The case was docketed as Civil Case No. 324-T.]

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[Respondents filed their Answer with Grounds for Dismissal and Compulsory Counterclaim, refuting the allegations of petitioner Narciso. Eventually, respondents filed an Amended and Supplemental Answer with Grounds for Dismissal and Compulsory Counterclaim and a Second Amended and Supplemental Answer with Grounds for Dismissal and Compulsory Counterclaim. However, the parties decided to put aside the grounds for dismissal and proceeded with the presentation of the witnesses of petitioner.]

On May 17, 1996, [respondents] filed their Motion to Dismiss and/or Demurrer to Evidence on [the] grounds that [petitioner Narciso] [had] no legal capacity to sue and for insufficiency of cause of action.

On November 8, 1996, the [RTC] dismissed the case [for lack of cause of action].

On appeal by [petitioner Narciso before the CA, Former Third Division, the appeal was initially denied.] [However,] an Amended Decision[20] was [subsequently] issued by the [CA Former Third

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[18] *Id*. at 401.

[19] *Id*. at 408.

[20] *Rollo*, pp. 111-115.

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Division] on August 30, 2000 in CA-G.R. CV No. 55641 [reversing the RTC's dismissal of the case and] remanding this case to the lower court [for further reception of evidence].

[In its Amended Decision, the CA Former Third Division found that the RTC's finding that there is a lack of cause of action was incorrect considering that based on its review of the records of the case, the subject property was held and occupied by petitioner Narciso and his predecessors-in-interest, "publicly, adversely, and uninterruptedly, and in the concept of owner, for a very long time (some 50 years), before Ariston's death on January 1, 1991."[21] The CA Former Third Division also found that the patent title covering the subject property that "was issued in favor of Alejandro Catambay, father to Alicia Catambay, is a fraudulently issued title because Alejandro Catambay was never an actual occupant of that lot in his lifetime, nor had he laid any claim thereover during his lifetime."][22]

x x x On April 4, 2001, a Resolution was issued by [this Court] in G.R. No. 146025 declaring [CA-G.R. CV No. 55641] terminated for failure of [respondents Sps.] Benavidez to file their petition for certiorari within the extended period which expired on January 6, 2001.

[In the remanded proceedings before the RTC, respondent] Lorenza Benavidez substituted [respondent] Edmundo, who passed away on November 9, 2003.

[Petitioner Narciso] died on November 18, 2003 and he was substituted by [petitioners Ofelia, the wife of Narciso, and the children of Narciso, *i.e.*, Jose Mari and Narciso, Jr.]

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On September 14, 2007, [the RTC rendered its Decision[23] dated September 14, 2007 dismissing petitioner Narciso's Complaint for lack of merit.

[Hence, petitioner Narciso, substituted by his wife and children, appealed the RTC's Decision before the CA.][24]

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[21] *Id.* at 112

[22] *Id.* at 114.

[23] *Id.* at 76-85.

[24] *Id.* at 88-102.

The Ruling of the CA

In its assailed Decision, the CA denied petitioners' appeal, affirming the RTC Decision dated September 14, 2007, which dismissed petitioner Narciso's Complaint for Annulment of Deed of Absolute Sale and Reconveyance against respondents. The dispositive portion of the assailed Decision of the CA reads:

WHEREFORE, premises considered, the Decision dated September 14, 2007 of the RTC, Branch 80, Morong, Rizal in Civil Case No. 324-T is hereby **AFFIRMED**.

SO ORDERED.[25]

The solitary reason why the CA denied petitioners' appeal is due to its belief that the proper recourse to remedy the situation is an action for reversion to be filed solely and exclusively by the Republic of the Philippines, through the Solicitor General, and not an action filed by a private person.[26]

Hence, the instant Petition.

Issue

Stripped to its core, the central question is whether there is sufficient cause to cancel the certificate of title covering the subject property currently in the name of respondents Sps. Benavidez, *i.e.,* TCT No. M-39517, which traces its origin from OCT No. M-2177 issued in favor of Alejandro Catambay, and to reconvey the subject property in favor of petitioners.

The Court's Ruling

I. Procedural Issue

Before delving into the substantive issues of the instant case, the lone procedural issue raised by respondents shall be first resolved by the Court.

Respondents ask the Court to dismiss the instant Petition outright because it does not raise pure questions of law. The

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[25] *Id*. at 105.

[26] *Id*. at 104.

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instant Petition admittedly raises certain questions of fact for the Court's appreciation and consideration; the instant Petition thus involves mixed questions of fact and law.

Rule 45, Section 1 of the Rules of Court is unequivocal in stating that an appeal *via* petition for review on *certiorari* under Rule 45 shall raise only questions of law which must be distinctly set forth. The Court is not a trier of facts and does not normally undertake the re-examination of the evidence presented by the contending parties during the trial of the case considering that the findings of facts of the lower courts are conclusive and binding upon the Court.[27]

However, the Court has ruled in a *catena* of cases that such rule is not inflexible. The Court has recognized several exceptions to the rule that only questions of law can be raised in a Rule 45 petition. Questions of fact may be revisited by the Court: (1) when the findings are grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the findings of facts are conflicting; (6) when in making its findings the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (7) when the findings are contrary to the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and (11) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.[28]

Here, the Court exercises its discretion in delving into the questions of fact involved in the instant Petition. As will be

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[27] *Insular Life Assurance Company, Ltd. v. CA*, 472 Phil. 11, 22 (2004).

[28] *Id*. at 22-23.

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discussed at length below, the findings of facts of the courts and various administrative bodies are in conflict with each other.

Further, the findings of fact made by the RTC in its Decision that are adverse to petitioners, as concurred in by the CA in its Assailed Decision and Resolution, are premised on the supposed absence of evidence presented by petitioners. However, a careful re-examination of the records sheds some light on the possibility that such conclusion made by the lower courts are contradicted by the available evidence on record.

Hence, for the foregoing reasons, the Court exercises its discretion in setting aside the general rule that only pure questions of law may be examined by the Court in assessing the instant Petition.

Having dispensed with the sole procedural issue raised against the instant Petition, the Court now addresses the substantive issues.

II. The Validity of Free Patent No.(IV-1) 001692 and OCT No. M-2177registered in the name of Alejandro Catambay

At the heart of petitioners' Complaint for Annulment of Deed of Absolute Sale and Reconveyance is the allegation that OCT No. M-2177, which was issued in favor of Alejandro Catambay, and from where respondents Benavidez trace their title over the subject property, was invalidly issued and that they, petitioners, are the true owners of the subject property by virtue of their actual, public, open, adverse and continuous possession of the subject property for more than 30 years.

The records show that in 1974, Alejandro filed with the DENR an application for free patent docketed as Free Patent Application No. (IV-1) 6363-B covering the subject property. With the DENR considering the subject property as alienable and disposable land of the public domain, it issued, on November 22, 1977, **Free Patent No. (IV-1) 001692**[29] covering the subject property

[29] Records, p. 708.

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in the name of Alejandro. Pursuant thereto, the RD issued the corresponding OCT, *i.e*., the assailed OCT No. M-2177 in the name of Alejandro.

In its Decision denying petitioners' Complaint, the RTC essentially invoked the indefeasibility of OCT No. M-2177 and held that petitioners failed to present sufficient evidence that the said title was invalidly issued in the name of respondents' predecessor-in-interest, Alejandro.[30]

While the Court is not unaware that upon the expiration of one year, the decree of registration and the certificate of title issued shall become incontrovertible and indefeasible,[31] the indefeasibility of title could be claimed only if a previous valid title to the same parcel of land does not exist.[32] As a matter of fact, an action for reconveyance is a recognized remedy available to a person whose property has been wrongfully registered under the Torrens system in another's name; reconveyance is always available as long as the property has not passed to an innocent third person for value. Further, the incontestable and indefeasible character of a Torrens certificate of title does not operate when the land covered thereby is not capable of registration.[33]

In connection with these doctrines, the Court has previously held in *Agne, et al. v. The Director of Lands, et al*.,[34] that if the land in question is proven to be of **private ownership** and, therefore, beyond the jurisdiction of the Director of Lands, **the free patent and subsequent title issued pursuant thereto are null and void. The indefeasibility and imprescriptibility of a Torrens title issued pursuant to a patent may be invoked only, when the land involved originally formed part of the public domain. If it was a private land, the patent and certificate of title issued upon the patent are a nullity.**[35]

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[30] *Rollo*, p. 83.

[31] Presidential Decree No. (PD) 1529, Sec. 32.

[32] *Register of Deeds v. Philippine National Bank,* 121 Phil. 49, 51 (1965).

[33] *Dizon, et al. v. Rodriguez*, 121 Phil. 681, 686 (1965).

[34] 261 Phil. 13 (1990).

[35] *Id*. at 25.

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The Court, in the aforesaid case, further explained that the rule on the incontrovertibility of a certificate of title does not apply where an action for the cancellation of a patent and a certificate of title issued pursuant thereto is instituted on the ground that they are null and void because the Bureau of Lands had no jurisdiction to issue them, the land in question having been withdrawn from the public domain prior to the subsequent award of the patent and the grant of a certificate of title to another person.[36]

Similarly, in *Heirs of Santiago v. Heirs of Santiago*,[37] the Court explained that it is a settled rule that a free patent issued over a private land is null and void, and produces no legal effects whatsoever. Private ownership of land — as when there is a *prima facie* proof of ownership like a duly registered possessory information or a clear showing of open, continuous, exclusive, and notorious possession, by present or previous occupants — is not affected by the issuance of a free patent over the same land, because the Public Land Law applies only to lands of the public domain. The Director of Lands has no authority to grant free patent to lands that have ceased to be public in character and have passed to private ownership. Consequently, a certificate of title issued pursuant to a homestead patent partakes of the nature of a certificate issued in a judicial proceeding only if the land covered by it is really a part of the disposable land of the public domain.[38]

Therefore, with OCT No. M-2177 being susceptible to attack on the basis of petitioners' claim that there was an invalid issuance of a free patent, as the subject property was already private property, the question that must be resolved by the Court is this: Based on the evidence on record, is there sufficient proof that the free patent issued to Alejandro, *i.e.*, Free Patent No. (IV-1) 001692, from which OCT No. M-2177 and the subsequent TCT issued in favor of respondents Sps. Benavidez trace their origin, is null and void?

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[36] *Id.*

[37] 452 Phil. 238 (2003).

[38] *Id.* at 248.

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Section 44, Chapter VI of Commonwealth Act No. 141 or the Public Land Act, states that a free patent may issue in favor of an applicant **only if** (1) the applicant has continuously occupied and cultivated, either by himself or through his predecessors-in-interest, a tract or tracts of agricultural public lands subject to disposition, or (2) who shall have paid the real estate tax thereon while the same has not been occupied by any person.

A hard second look at the factual findings of the various courts and administrative bodies, as well as the evidence on record, reveals that Free Patent No. (IV-1) 001692 issued in favor of Alejandro did not satisfy the abovementioned requisites for the issuance of a free patent, making it null and void.

In sum, based on an exhaustive review of the records of the instant case, as well as the clear and unequivocal factual findings made by several courts, including various administrative bodies, the Court finds that:

(1) **respondent Catambay and her predecessor-in-interest did not actually occupy the subject property as to warrant the issuance of Free Patent No. (IV-1) 001692;**

(2) **respondent Catambay and her predecessor-in-interest actually occupied and cultivated the adjoining property adjacent to the subject property and not the subject property; and**

(3) **petitioners, through their predecessors-in-interest, have actually, publicly, openly, adversely and continuously possessed the subject property in the concept of an owner since the 1940's, cultivating the said property as a rice field.**

A. ***Factual Findings of the Various Courts and Administrative Bodies***

The Court takes cognizance of the various factual findings of several lower courts, including findings previously made by this Court, that petitioners were in actual possession of the

subject property for several decades and that respondents actually did not occupy the subject property.

1. *Factual Findings by the Court in the Forcible Entry Case (G.R. No. 125848)*

First, it must be recalled that in *Benavidez v. CA*, this Court ruled with respect to the forcible entry case filed by petitioner Narciso against respondents. The Court sustained the CA Special Twelfth Division's Decision, which in turn affirmed the MTC's Decision ordering the ejectment of respondent Edmundo from the subject property.

In the said case, the Court, in sustaining the CA Special Twelfth Division's Decision, upheld the MTC's finding that **Ariston is the rightful possessor of the subject property, as he had always been consistently possessing and cultivating the land as a rice field through his tenants.**[39] The Court also sustained the MTC's assessment that the prior judgment of the DARAB declaring Mendez as the agricultural tenant of the subject lot and ordering Benavidez to reinstate Mendez to the possession of the property was a persuasive proof of possession by petitioners through their agricultural tenant, Mendez.[40]

In fact, it must be stressed that the Court upheld the MTC's finding that an ocular inspection conducted on October 11, 1990 established that t**he subject property, wherein a Petron gasoline station and some new structures were forcibly put up by respondent Edmundo, is one and the same lot being claimed by petitioner Narciso, and that said property is the same lot being managed by Mendez as the tenant of petitioners**.[41] During the ocular inspection, the MTC held that other tenants and farmers of adjoining and adjacent ricelands confirmed this factual finding. In fact, this factual finding led the MTC to issue a writ of preliminary injunction against respondents.[42]

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[39] *See supra* note 14.

[40] *Id*. at 620.

[41] *Id*. at 619.

[42] *Id*.

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While it is true that the aforementioned factual findings sustained by the Court in G.R. No. 125848 are not by all means conclusive upon this Court in deciding the issue at hand, considering that in a forcible entry case, the only issue for adjudication is the physical or material possession over the real property and not ownership,[43] the Court deems such factual findings as having persuasive effect, **taken together with the other factual findings and the evidence on record**. To stress, the Court in G.R. No. 125848, in sustaining both the findings of the MTC and CA Special Twelfth Division, upheld the ejectment of respondent Edmundo from the subject property on the basis of the established fact that Ariston and his predecessors-in-interest have been in continuing possession over the subject property and cultivated such property as a rice land for several decades. At the very least, this factual finding convinces the Court that, contrary to the unsupported assertion of respondents, the Catambays were not in actual and continued possession of the subject property, which was an essential and indispensable requisite for the granting of the free patent in favor of Alejandro.

2. Factual Findings by the CA Former Third Division (CA-G.R. CV No. 55641)

Moreover, the Court notes that on November 8, 1996, the RTC initially issued a Resolution dismissing the instant case for lack of cause of action which was affirmed by the CA on March 31, 2000. However, after a more thorough review of the evidence on record, the CA Former Third Division issued an Amended Decision dated August 30, 2000 in CA-G.R. CV No. 55641.

In the said Amended Decision, the CA Former Third Division reversed the RTC's finding that there is a lack of cause of action and found cause to remand the case for further reception of evidence. **After its extensive review of the records of the case, it was found by the CA Former Third Divison that the subject property was held and occupied by petitioner**

[43] *De Luna v. Court of Appeals*, 287 Phil. 298, 302 (1992).

Narciso, through his predecessors-in-interest, publicly, adversely, and uninterruptedly, and in the concept of owner, for some 50 years:

This Lot 3302 was by A. Melendrez (sic), a native resident of Tanay, Rizal, held and occupied publicly, adversely, and uninterruptedly, and in concept of an owner, for a very long time (some 50 years), before his death on January 1, 1991.[44]

The CA Former Third Division also made the unequivocal finding that the free patent title covering the subject property that "was issued in favor of Alejandro Catambay, father to Alicia Catambay, is a **fraudulently issued title** because **Alejandro Catambay was never an actual occupant of that lot in his lifetime, nor had he laid any claim thereover during his lifetime**."[45]

The aforementioned Amended Decision became final and executory, with respondents failing to assail it.

Again, the abovementioned factual findings of the CA Former Third Division were arrived at after a thorough review of the evidence on record. This dovetails with what the Court now finds in the records which reveal that, indeed, the Catambays were never actual occupants of the subject property, and that petitioner Narciso, through his predecessors-in-interest, occupied the subject property publicly, adversely, uninterruptedly, and in the concept of owner, for several decades.

3. *Factual Findings by the DARAB (DARAB Case No. IV-Ri-369-91)*

In addition to the foregoing, it must likewise be recalled that petitioner Narciso and his tenant, Mendez, filed a complaint for illegal conversion against respondents Catambay and Sps. Benavidez before the DARAB. The case titled *Ariston Melendres, rep. by Narciso Melendres, Jr. and Felino Mendez v. Alicia Catambay, rep. by the Heirs of Alejandro Catambay and*

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[44] *Rollo*, p. 112.

[45] *Id*. at 114; emphasis and underscoring supplied.

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Edmundo Benavidez, was docketed as DARAB Case No. IV-Ri-369-91.

In its Decision[46] dated March 4, 1992, the DARAB found respondents guilty of illegal conversion and ordered the payment of damages to him and Mendez. The DARAB Decision became final and executory and a writ of execution[47] dated September 3, 1992 was eventually issued against respondents.

In the said Decision, the DARAB's findings unequivocally state that the claim of petitioners that they were in constant possession of the subject property is adequately supported by the evidence on record:

> Anent the first and second issues, **the records are replete with evidence adequately establishing the claim of the Complainants that they were in possession of the landholding in question until they were ejected therefrom by the Respondents in 1989. Complainant Ariston Melendres by himself or thru his predecessor-in-interest Maria Paz Catolos, has been in continuous, uninterrupted, peaceful, open and public possession of the questioned property with an original area of 13,742 square meters in the concept of an owner as evidenced by Old Tax Declarations going far back as 1949**. When a cadastral survey was undertaken sometime in 1971, portions thereof were apparently erroneously included in the individual titles of the adjoining owners namely Alejandro Catambay, (respondent Alicia Catambay's predecessor-in-interest) and Mercedes Amonoy. x x x **[I]t cannot be denied that all these many years, the Complainant Melendres remained in material possession of the subject property as owner/legal possessor**.[48] (Emphasis and underscoring supplied)

Further, the DARAB likewise found that Mendez "was validly instituted as a tenant-lessee over the subject landholding by fellow **Complainant Melendres who is the legal possessor thereof** x x x."[49]

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[46] Records, pp. 396-406.

[47] *Id*. at 407.

[48] *Id*. at 401-402.

[49] *Id*. at 403; emphasis supplied.

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In its Decision, the DARAB also ordered respondents to pay petitioners' tenant, Mendez, ₱61,875.00 as disturbance compensation. The records bear an Acknowledgment[50] dated November 5, 1992, wherein tenant Mendez certified that he had received an amount of ₱61,875.00 from respondents in compliance with the DARAB's Decision. This actually shows that respondents readily acknowledged and recognized the validity of the aforementioned DARAB's Decision. Hence, respondents cannot now be allowed to assail the findings of the DARAB after willingly accepting, recognizing, and expressing its acquiescence over the DARAB's Decision.

At this juncture, it must be stressed that the findings of fact of administrative bodies, such as the DARAB, will not be interfered with by the courts in the absence of grave abuse of discretion on the part of the former, or unless the aforementioned findings are not supported by substantial evidence.[51] **Findings of fact by administrative agencies are generally accorded great respect, if not finality, by the courts by reason of the special knowledge and expertise of said administrative agencies over matters falling under their jurisdiction**.[52]

4. *Factual Findings by the OP (O.P. Case No. 95-1-6253)*

Aside from the factual findings of the Court in G.R. No. 125848, the CA Former Third Division in CA-G.R. CV No. 55641, and the DARAB in DARAB Case No. IV-Ri-369-91, it must be emphasized that the OP, in O.P. Case No. 95-1-6253, also arrived at a similar conclusion that petitioners, and not respondents, have actually, publicly, openly, adversely and continuously possessed the subject property in the concept of an owner since the 1940s, cultivating the said property as a rice field.

It must be recalled that on November 24, 1989, a petition for reinvestigation was filed by petitioner Narciso before the

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[50] *Id.* at 408. Erroneously labeled as "ACKOWLEDGEMENT."

[51] *Encinas v. Agustin, Jr., et al.,* 709 Phil. 236, 260 (2013).

[52] *Spouses Hipolito, Jr. v. Cinco,* 677 Phil. 331, 334 (2011).

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CENRO, claiming that there was a serious error committed by the Cadastral Survey Team of the Bureau of Lands in the conduct of the cadastral survey of Cad-393 of the Tanay Cadastre and that the subject property has been in the open, continuous, notorious, and public possession of the Melendreses and their predecessors-in-interest for several decades.

In its Order[53] dated January 21, 1993, the DENR Regional Office No. IV denied the petition filed by petitioner Narciso. The said Order was sustained by the Office of the Secretary of the DENR in a Decision[54] dated June 27, 1995.

However, the matter was elevated to the OP which, in a Decision[55] dated June 30, 2003, reversed the decisions of the DENR Regional Office and the Office of the DENR Secretary, directing the DENR to institute reversion proceedings respecting Lot Nos. 3302 and 3304 so that the correct and appropriate free patents and corresponding titles be issued in favor of petitioner Narciso, respondent Catambay, and Mercedes Amonoy.

In the OP's Decision, it must be stressed that the OP, after exhaustively going through the available evidence, found that **the area actually being worked on and cultivated by respondent Catambay does not pertain to the subject property**. The OP found credence in the Investigation Report of the CENRO, DENR Region IV, which found that:

> [Respondent] Catambay is an owner of Lot No. 3302 with an area of (1,622) previously issued Free Patent No. 001692. **On the basis of her title she cause (sic) the relocation of the same, but to her surprise her title appears to be issued in the land owned by [petitioner Narciso], and not to one they were actually cultivating and occupying**;
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> x x x x x x x x x
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> That in the course of the same investigation, **it was finally ascertained that the area being actually worked and cultivated**

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[53] Records, pp. 709-713.

[54] *Id*. at 714-719.

[55] *Id*. at 842-847.

by Miss Alicia Catambay through her overseer was included in the title of Mrs. Mercedes Amonoy for Lot No. 3304 is the reason why the area was enlarged unconscionably and this fact was supported by the findings during the relocation conducted within the premises of said two lots. The property of [respondent] Catambay is in between the land of [petitioner Narciso] and Mrs. Amonoy. The tenants of these three adjoining owners like Messers. Felino Mendez, Arturo J. Catambay and Melchor Samonte were of the same opinion that the land owned by [respondent] Catambay were (sic) exactly included in the title of Mrs. Mercedes Amonoy, and this was further attested to by several old reliable residents of the place, like the person of Mr. Bernardo Piguing, President of the Farmer's Cooperative, and Chairman of the BARC-Barangay Agrarian Reform Council and his two members, Mr. Florentino Bernal and Mr. Pedro Pendre, and many others within the locality.[56] (Emphasis and underscoring supplied)

Hence, after reviewing the careful and thorough investigation conducted by the DENR on the matter at hand, the OP held that respondent Catambay was actually surprised when she discovered that her title referred to the subject property, as it was not the land her family was actually cultivating and occupying. Thus, the OP held that "[w]ith such findings and admissions by the DENR lower officials themselves, **it cannot be said that x x x the evidence for [petitioner Narciso] was not convincing enough to support his contention that a mistake was committed by the Department's survey team in 1971**."[57]

The OP also found that **petitioner Narciso and his predecessors-in-interest were the ones "in actual possession" of the subject property and that petitioner Narciso "was still occupying and tilling the same area, x x x which was not actually possessed and occupied by both Catambay and Amonoy.**"[58]

Further, the OP held that **since the free patent issued in favor of Alejandro covered an area which was not actually**

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[56] *Id*. at 845-846.

[57] *Id*. at 846-847; emphasis supplied.

[58] *Id*. at 847; emphasis supplied.

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possessed and occupied by him, the corresponding OCT is "void."[59]

To reiterate once more, findings of fact by administrative agencies are generally accorded great respect, if not finality, by the courts by reason of the special knowledge and expertise of said administrative agencies over matters falling under their jurisdiction.[60] The confluence of factual findings made by the courts and several administrative bodies supports petitioners' claim that they, through their predecessors-in-interest, have actually, publicly, openly, adversely and continuously possessed the subject property for more than 30 years prior to the issuance of Free Patent No. (IV-1) 001692 in favor of Alejandro in 1977, making the issuance of the said Free Patent null and void.

B. *The Evidence on Record*

As earlier intimated, that is not all. Aside from the aforementioned factual findings of the courts and the administrative bodies, the Court finds, upon its own exhaustive review of the records of the instant case, that the pieces of evidence presented by petitioners, if weighed against the evidence presented by respondents, more convincingly show that the subject property was not at all possessed by respondents' predecessor-in-interest, *i.e.*, Alejandro, and that the subject property was occupied, possessed, and cultivated by petitioners, through their predecessors-in-interest, as a rice field for several decades.

1. *Tax Declarations in the name of Petitioners' Predecessors-In-Interest*

First, the evidence on record bear that Tax Declarations in the name of the Melendreses covering the subject property were issued spanning several decades, with the earliest Tax Declaration being issued in favor of petitioner Narciso's grandmother, Maria Paz Catolos, in the 1940s.[61]

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[59] *Id.*; emphasis supplied.

[60] *Spouses Hipolito v. Cinco, et al., supra* note 50.

[61] Tax Declaration Nos. 01-2843, 01-0870, 5768, 3445, 4265, 597 and Declaration of Real Property Tax No. 2475, 28856; see Records, pp. 357-365.

While tax declarations are not *per se* conclusive evidence of ownership, they cannot simply be ignored especially where, as here, since the 1940s, Tax Declarations had already been registered in the name of petitioners' predecessors-in-interest.[62] While it is true that tax receipts and tax declarations are not incontrovertible evidence of ownership, **they constitute credible proof of a claim of title over the property**. Coupled with actual possession of the property, **tax declarations become strong evidence of ownership.**[63]

The voluntary declaration of a piece of property for taxation purposes manifests not only one's sincere and honest desire to obtain title to the property and announces his adverse claim against the State and all other interested parties, but also the intention to contribute needed revenues to the Government. **Such an act strengthens one's *bona fide* claim of acquisition of ownership.**[64]

Hence, the constant filing by the Melendreses of tax declarations covering the subject property spanning several decades, taken together with the other pieces of evidence, shows that petitioners' claim of title over the subject property is consistent, providing sufficient basis in proving their possession over the said property.

To the contrary, the earliest tax declarations produced by respondent Catambay covering the subject property are Tax Declaration No. 01-2717[65] registered on April 30, 1985 in the name of Alejandro and Tax Declaration No. 01-3460[66] registered on September 29, 1988 in the name of respondent Catambay.

Aside from the fact that such tax declarations were registered only several years AFTER the application and granting of

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[62] *Id*.

[63] See *Ranola v. CA*, 379 Phil. 1, 11 (2000).

[64] *Heirs of Santiago v. Heirs of Santiago*, *supra* note 36 at 248.

[65] Records, p. 373.

[66] *Id.* at 372.

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Alejandro's free patent over the subject property, very telling is the fact that upon close examination of such tax declarations, they are traceable from previous tax declarations in the name of their predecessor-in-interest, Susana Catolos de Medenacelli.

It must be emphasized that under Tax Declaration Nos. 01-1555, 01-0876, 604, 4194, and 3440,[67] all in the name of Susana Catolos de Medenacelli, who is the predecessor-in-interest of the Catambays, the property indicated in the said tax declarations refer to the 1,353-square-meter property adjacent to the subject property, and *NOT* the subject property. This lends support to the persistent claim of petitioners that the property actually owned and possessed by the Catambays refer to the 1,353-square-meter property and not the subject property, which was consistently covered by tax declarations in the name of petitioners' predecessors-in-interest.

2. *The Sworn Testimony of Arturo Catambay, respondent Catambay's First Cousin*

To provide further credence to petitioners' assertion that the property actually occupied and owned by respondent Catambay is not the subject property, but another property adjacent to it, the Court takes notice of the testimony of respondent Catambay's first cousin, Arturo Catambay (Arturo).

In his *Malayang Salaysay*[68] dated July 11, 1989, Arturo unequivocally declared under oath that he is the caretaker of the land owned by the deceased Alejandro. He further declared that **the land actually owned and possessed by Alejandro is NOT the subject property, but a piece of land that is adjacent to the subject property which is owned by Ariston**. He likewise declared under oath that the **subject property was being continuously occupied by the tenants of petitioners**.

A review of the pleadings submitted by respondents reveals that this testimony was never rebutted by them. The Court finds

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[67] *Id*. at 374-378.

[68] *Id*. at 410.

this evidence persuasive as it comes from a relative of respondents who was the one who actually occupied and maintained the lands owned by respondents' predecessor-in-interest, Alejandro. As caretaker, Arturo had first-hand knowledge as to the state and condition of the lands involved in the instant case.

3. *The Sworn Testimonies of Petitioner Narciso and Mendez*

The evidence on record also reveals that petitioner Narciso unequivocally testified under oath, which was never contradicted by respondents, that, as administrator of his father, Ariston, the subject property was already being cultivated by his family as a rice field for several decades prior to the free patent application of Alejandro, and that he supervised the cultivation and harvesting of palay gathered from the subject property by their farmer tenants.[69]

Petitioner Narciso also testified that the subject property was devoted to the planting of palay until November 1989 when respondent Edmundo forcibly entered the subject property and filled up the area with materials, eventually putting up a gasoline station.[70] Petitioner Narciso was even able to present an Extrajudicial Partition of Real Estate dated February 18, 1991 covering the subject property, which was executed upon the death of his father, Ariston.[71] Without doubt, this shows that petitioner Narciso and his family have always and consistently viewed and treated the subject property as their own.

Petitioner Narciso's above testimony that the subject property has always been used by petitioners' family as a rice field was corroborated by the family's tenant, Mendez, who testified in his *Malayang Salaysay*[72] dated January 13, 1990, that he had been the caretaker and tenant of the subject property. He also testified under oath that the land being farmed by respondents

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[69] *See* TSN dated July 21, 1993, pp. 15-16.

[70] *Id*.

[71] Records, pp. 438-441.

[72] *Id*. at 411.

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is the property adjoining the subject property and not the subject property, which was being managed by him as tenant.[73]

To provide further proof that the subject property was under the control of petitioners' family and that such property was being utilized as a rice field, with Mendez as the assigned tenant, petitioner Narciso was even able to produce photographic evidence showing the rice fields located in the subject property.[74]

The Court notes that respondents again failed to disprove and repudiate the testimonies provided by petitioner Narciso and his witnesses that, for several decades prior to the free patent application of Alejandro, the subject property was utilized by the Melendreses as a rice field, which was overseen by Mendez as their tenant, until 1989 when respondent Edmundo forcibly entered the property.

The Court takes notice that, aside from the questioned Free Patent No. (IV-1) 001692, OCT No. M-2177, and the subsequent certificates of title that are traceable from OCT No. M-2177, the only evidence provided by respondents in substantiating their claim that Alejandro had been in open, continuous, exclusive, actual, and notorious possession, occupation, and cultivation of the subject property are the self-serving testimonies of respondents Catambay and Lorenza.

Therefore, taking all the available evidence on record, and recognizing the persuasive effect of factual findings made by different administratrive agencies and courts, the Court finds and so holds that (a) respondent Catambay and her predecessor-in-interest did not actually occupy the subject property, (b) that respondent Catambay and her predecessor-in-interest actually occupied and cultivated the adjoining property adjacent to the subject property and not the subject property, and (3) that petitioners, through their predecessors-in-interest, have actually, publicly, openly, adversely and continuously possessed the subject property in the concept of an owner since the 1940s, cultivating the said property as a rice field.

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[73] *Id*.

[74] *Id*. at 389.

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The open, exclusive and undisputed possession of alienable public land for the period prescribed by law creates the legal fiction whereby the land, upon completion of the requisite period, *ipso jure* and without the need of judicial or other sanction, ceases to be public land and becomes private property.[75]

In connection with the foregoing doctrine, the Public Land Act states that those who by themselves or through their predecessors-in-interest have been in open, continuous, exclusive, and notorious possession and occupation of agricultural lands of the public domain, under a *bona fide* claim of acquisition or ownership, for at least 30 years immediately preceding the filing of the application for confirmation of title except when prevented by war or *force majeure* shall be conclusively presumed to have performed all the conditions essential to a Government grant and shall be entitled to a certificate of title.[76]

In *Heirs of Celso Amarante v. Court of Appeals*,[77] the Court similarly ruled that the open, exclusive and undisputed possession of public land for more than 30 years by a person who occupied the land by planting various coconut, mango, and bamboo trees, wherein the grandchildren of the planter likewise continued occupying the said property for several years, created the legal fiction whereby the said land, upon completion of the requisite period of possession, *ipso jure* became private property:

> We should consider next the character of the rights held by petitioners in respect of Lot 1236. The testimony of Celso Amarante showed that in 1974, the coconut trees planted by petitioners and their predecessors-in-interest were already approximately seventy (70) years of age. The mango trees had trunks with circumferences of about three (3) arm lengths; indicating once more that those trees were very old. x x x

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[75] *The Director of Lands v. IAC, et al.*, 230 Phil. 590, 599-600 (1986).

[76] Public Land Act, Sec. 48(b).

[77] 264 Phil. 174 (1990).

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More importantly, there is Section 48(b) of Commonwealth Act No. 141, as amended by Republic Act No. 1942, otherwise known as the Public Land Act, which provides as follows:

> Section 48. The following described citizens of the Philippines occupying lands of the public domain or claiming to own any such land or an interest therein, but whose titles have not been perfected or completed, may apply to the Court of First Instance of the province where the land is located for confirmation of their claims and the issuance of a certificate of title therefor, under the Land Registration Act, to wit:
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> x x x x x x x x x
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> (b) Those who by themselves or through their predecessors in interest have been in open, continuous, exclusive and notorious possession and occupation of agricultural lands of the public domain, under a bona fide claim of acquisition of ownership, for at least thirty years immediately preceding the filing of the application for confirmation of the title except when prevented by war or force majeure. These shall be conclusively presumed to have performed all the conditions essential to a Government grant, and shall be entitled to a certificate of title under the provisions of this Chapter.[77a]

There is no question that petitioners, at the time they had been forcibly driven off the Sitio Campulay parcel of land, had through their possession and that of their predecessors-in-interest complied with the requirements of long continued (at least 30 years), *bonafide*, open, exclusive and notorious possession and occupation of Lot 1236 which was of course, originally agricultural land of the public domain.[78]

The Court notes that the circumstances and issues surrounding the instant case find much resemblance to the previously decided case of *Heirs of Santiago v. Heirs of Santiago*,[79] wherein the Court similarly held that since the petitioners therein were able to prove their open, continuous, exclusive, and notorious

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[77a] Subsequently amended by Section 4, Presidential Decree No. 1073, January 25, 1977. See *Sps. Fortuna v. Republic*, 728 Phil. 373 (2014).

[78] *Supra* note 77, at 187-188.

[79] *Supra* note 36.

possession and occupation of the land for several decades, such land was deemed to have already been acquired by the petitioners therein by operation law, thus segregating such land from the public domain. This led the Court to invalidate the free patent covering such land, as well as the certificate of title issued by virtue of such void free patent:

The settled rule is that a free patent issued over a private land is null and void, and produces no legal effects whatsoever. P**rivate ownership of land — as when there is a *prima facie* proof of ownership like a duly registered possessory information or a clear showing of open, continuous, exclusive, and notorious possession, by present or previous occupants — is not affected by the issuance of a free patent over the same land, because the Public Land law applies only to lands of the public domain.** The Director of Lands has no authority to grant free patent to lands that have ceased to be public in character and have passed to private ownership. Consequently, a certificate of title issued pursuant to a homestead patent partakes of the nature of a certificate issued in a judicial proceeding only if the land covered by it is really a part of the disposable land of the public domain.

In the instant case, **it was established that Lot 2344 is a private property of the Santiago clan since time immemorial, and that they have declared the same for taxation**. Although tax declarations or realty tax payment of property are not conclusive evidence of ownership, nevertheless, they are good*indicia* of possession in the concept of owner, for no one in his right mind would be paying taxes for a property that is not in his actual or constructive possession. They constitute at least proof that the holder has a claim of title over the property. The voluntary declaration of a piece of property for taxation purposes manifests not only one's sincere and honest desire to obtain title to the property and announces his adverse claim against the State and all other interested parties, but also the intention to contribute needed revenues to the Government. Such an act strengthens one's *bona fide* claim of acquisition of ownership.

Considering the open, continuous, exclusive and notorious possession and occupation of the land by respondents and their predecessors-in-interests, they are deemed to have acquired, by operation of law, a right to a government grant without the necessity of a certificate of title being issued. The land was thus

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segregated from the public domain and the director of lands had no authority to issue a patent. Hence, the free patent covering Lot 2344, a private land, and the certificate of title issued pursuant thereto, are void.

Similarly in *Magistrado v. Esplana*, the applicant for a free patent declared that the lots subject of the application formed part of the public domain for the sole purpose of obtaining title thereto as cheaply as possible. We annulled the titles granted to the applicant after finding that the lots were privately owned and continuously possessed by the applicant and his predecessors-in-interest since time immemorial. Likewise, in *Robles v. Court of Appeals*, the free patent issued to the applicant was declared void because the lot involved was shown to be private land which petitioner inherited from his grandparents.

Respondents' claim of ownership over Lot 2344-C and Lot 2344-A is fully substantiated. Their open, continuous, exclusive, and notorious possession of Lot 2344-C in the concept of owners for more than seventy years supports their contention that the lot was inherited by Mariano from her grandmother Marta, who in turn inherited the lot from her parents. This fact was also corroborated by respondents' witnesses who declared that the house where Marta and Mariano's family resided was already existing in the disputed portion of Lot 2344 even when they were still children. It is worthy to note that although Lot 2344-C was within the property declared for taxation by the late Simplicio Santiago, he did not disturb the possession of Marta and Mariano. Moreover, while the heirs of Simplicio tried to make it appear that Mariano built his house only in 1983, Nestor Santiago admitted on cross-examination that Mariano Santiago's house was already existing in the disputed lot since he attained the age of reason. The fact that Mariano did not declare Lot 2344-C for taxation does not militate against his title. As he explained, he was advised by the Municipal Assessor that his 57 square meter lot was tax exempt and that it was too small to be declared for taxation, hence, he just gave his share in the taxes to his uncle, Simplicio, in whose name the entire Lot 2344 was declared for taxation.[80]

Hence, since the evidence on record, including the factual findings of the various courts and administrative bodies, indubitably establish that petitioners, through their predecessors-

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[80] *Id*. at 248-250. Emphasis and underscoring supplied.

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in-interest, have actually, publicly, openly, adversely and continuously possessed the subject property in the concept of an owner, cultivating the subject property as a rice field, for more than 30 years, the subject property became the private property of petitioners *ipso jure* by virtue of law.

The Court notes that, in issuing its assailed Decision, the CA did not reverse, invalidate, or refute whatsoever the various factual findings made by the courts and administrative bodies on the validity of petitioners' claims. The CA's sole reason in denying the appeal filed by petitioners was its belief that the proper remedy of petitioners is an action for reversion that may only be filed by the Republic of the Philippines, through the Solicitor General, and not by any private party.[81] The CA's solitary basis in dismissing petitioners' appeal is erroneous.

An action for reversion involves property that is alleged to be of State ownership, aimed to be reverted to the public domain.[82] As held by the Court in *Heirs of Santiago v. Heirs of Santiago*,[83] there is no merit to the contention that only the State may bring an action for reconveyance with respect to property proven to be private property by virtue of open, continuous, exclusive and notorious possession. The nullification of the free patent and title would not therefore result in its reversion to the public domain. Hence, the State, represented by the Solicitor General, is not the real party-in-interest; inasmuch as there was no reversion of the disputed property to the public domain, the State is not the proper party to bring a suit for reconveyance.

In the instant case, by virtue of the actual, public, open, adverse, and continuous possession of the subject property by petitioners in the concept of an owner since 1940s, the subject property ceased to be a land of the public domain and became private property.

Hence, in line with established jurisprudence, **if the land in question is proven to be of private ownership** and, therefore,

[81] *Rollo*, p. 104.

[82] See *Heirs of Kionisala v. Heirs of Dacut*, 428 Phil. 249, 260 (2002).

[83] *Supra* note 36.

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beyond the jurisdiction of the then Director of Lands (now Land Management Bureau), **the free patent and subsequent title issued pursuant thereto are null and void**. The indefeasibility and imprescriptibility of the Torrens title issued pursuant to such null and void patent do not prevent the nullification of the title. **If it was private land, the patent and certificate of title issued upon the patent are a nullity.**[84]

Therefore, the Court finds Free Patent No. (IV-1) 001692 issued in favor of Alejandro Catambay null and void. Necessarily, OCT No. M-2177 which was issued in accordance with Free Patent No. (IV-1) 001692 is deemed invalidly issued.

III. The Validity of the Contract of Sale Entered Between Respondent Catambay and Respondents Sps. Benavidez

In light of the nullity of Free Patent No. (IV-1) 001692 and OCT No. M-2177, the Court now proceeds to rule on whether or not respondents Sps. Benavidez's claim of title over the subject property should be upheld.

It must be recalled that respondents Sps. Benavidez' title over the subject property is sourced from a contract of sale entered with respondent Catambay, as evidenced by the Deed of Absolute Sale dated February 5, 1990.[85] By virtue of this contract of sale, TCT No. M-39517[86] was issued in the name of respondents Sps. Benavidez.

Despite the fact that the title of respondents Sps. Benavidez is traced from the defective title of respondent Catambay, the Court takes notice of the rule that the purchaser of a piece of property is not required to explore further than what the Certificate indicates on its face.[87]

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[84] *Agne, et al. v. The Director of Lands, et al.*, *supra* note 34.

[85] *Rollo*, p. 201-202.

[86] *Id*. at 198.

[87] *Abad v. Guimba*, 503 Phil. 321-330 (2005).

This rule, however, applies only to **innocent purchasers for value and in good faith**; it excludes a purchaser who has knowledge of a defect in the title of the vendor, or of facts sufficient to induce a reasonable prudent man to inquire into the status of the property.[88] Time and time again, this Court has stressed that registration does not vest, but merely serves as evidence of, title. Our land registration laws do not give the holders any better title than that which they actually have prior to registration. Mere registration is not enough to acquire a new title. Good faith must concur.[89]

One cannot rely upon the indefeasibility of a TCT in view of the doctrine that the defense of indefeasibility of a Torrens title does not extend to transferees who take the certificate of title in bad faith.[90]

In a long line of cases, the Court has defined a purchaser in good faith or innocent purchaser for value as one who buys property and pays a full and fair price for it at the time of the purchase or before any notice of some other person's claim on or interest in it.[91] It has been held that **the burden of proving the status of a purchaser in good faith lies upon him who asserts that status and it is not sufficient to invoke the ordinary presumption of good faith, that is, that everyone is presumed to have acted in good faith.**[92]

To stress, the *onus probandi* is borne by respondents Sps. Benavidez to prove that they are innocent purchasers in good faith and for value. Upon exhaustive review of the records of the instant case, the Court is very much convinced that respondents Sps. Benavidez failed to satisfy this burden.

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[88] *Id*.

[89] See *Sps. Portic v. Cristobal*, 496 Phil. 456, 466 (2005).

[90] See *Baricuatro, Jr. v. Court of Appeals*, 382 Phil. 15, 33-34 (2000).

[91] *Sps. Tanglao v. Sps. Parungao*, 561 Phil. 254, 262 (2002), citing *Tanongon v. Samson*, 431 Phil. 32, 45 (2004).

[92] *Aguirre v. Court of Appeals*, 466 Phil. 32, 45 (2004).

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While respondent Lorenza provided testimony that they committed acts verifying whether the title was clean, such as conducting an ocular inspection,[93] aside from this testimony being self-serving and uncorroborated, the evidence on record clearly show that respondents Sps. Benavidez had actual and not merely constructive knowledge that there were other persons claiming interest over the subject property.

The records[94] show that respondent Edmundo was represented by counsel, *i.e*, Atty. Pangalangan, in the petition for reinvestigation filed by petitioner Narciso before the CENRO, wherein petitioner Narciso made known his claim that he and his predecessors-in-interest are the lawful owners and possessors of the subject property.

In fact, on December 12, 1989, the CENRO issued an Order[95] addressed to respondents, including respondent Edmundo, to observe and maintain the status quo on the subject property until such time that the case is finally resolved by the said office. The said Order itself specifically indicates that respondent Edmundo was furnished a copy of the Order.

Further, a formal demand letter[96] dated November 29, 1989 was sent by petitioner Narciso, through counsel, specifically addressed to respondent Edmundo, apprising the latter as to the claim of ownership and possession of the Melendreses over the subject property.

Significantly, during the trial, respondent Catambay herself testified categorically that respondents Sps. Benavidez had knowledge of the claims of petitioner Narciso over the subject property **prior to the sale entered into with her**:

> Q. In other words categorically they have knowledge of the complaints of Narciso Melendres even before they purchased this subject parcel of land?

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[93] *Rollo*, pp. 533-537.

[94] TSN dated June 16, 2005, pp. 13-15.

[95] Records, p. 409.

[96] *Id*. at 388.

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A. **Yes, they did**.[97]

In fact, it bears stressing that even the RTC itself, in its Decision dated September 14, 2007, found that "defendants Alicia Catambay and defendants-spouses Benavidez had knowledge of the conflicts over the subject property during their sale transaction, x x x."[98]

A person who deliberately ignores a significant fact which would create suspicion in an otherwise reasonable man is not an innocent purchaser for value. A purchaser cannot close his eyes to facts which should put a reasonable man upon his guard, and then claim that he acted in good faith under the belief that there was no defect in the title of the vendor.[99]

All told, there is absolutely no doubt in the mind of the Court that respondents Sps. Benavidez were not innocent purchasers of the subject property.

It should be clarified, however, that notwithstanding the Court's declaration that the subject property is private property belonging to petitioners and that Free Patent No. (IV-1) 001692, as well as all the certificates of title originating therefrom, are null and void, the title of petitioners over the subject property is still imperfect; the issuance of a certificate of title in favor of petitioners is still subject to the rules on confirmation of title under Section 48 (b) of the Public Land Act. Nevertheless, as similarly held in *Heirs of Santiago v. Heirs of Santiago*,[100] this imperfect title of the petitioners is enough to defeat the free patent and certificate of title issued over the subject property in favor of respondents and their predecessors-in-interest. As petitioners are deemed the lawful owners of the subject property

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[97] TSN dated January 27, 2005, at p. 15; emphasis and underscoring supplied.

[98] *Rollo*, p. 84.

[99] *Development Bank of the Philippines v. Court of Appeals, et al.,* 387 Phil. 283, 303 (2000).

[100] *Supra* note 37.

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ipso jure by virtue of their open, continuous, exclusive, and notorious possession and occupation of the subject property, they have the exclusive right to apply for the issuance of a certificate of title through judicial confirmation of an imperfect title under Section 48 of the Public Land Act.

WHEREFORE, premises considered, the instant appeal is hereby **GRANTED**. The Decision dated May 27, 2011 and Resolution dated August 3, 2011 issued by the Court of Appeals, Special Second Division and Former Special Second Division, respectively, in CA-G.R. CV No. 93082 are **REVERSED and SET ASIDE**. Judgment is hereby rendered:

1. Declaring **NULL and VOID** the Deed of Absolute Sale dated February 5, 1990 executed between respondent Alicia Catambay and respondents Spouses Edmundo and Lorenza Benavidez in so far as the subject property is concerned; and

2. Ordering the Register of Deeds of Rizal, Morong Branch to **CANCEL** any and all certificates of title traced from Original Certificate of Title No. M-2177.

SO ORDERED.

Carpio (Chairperson), *A. Reyes, Jr.,* and *J. Reyes, Jr.*, *JJ.*, concur.

Perlas-Bernabe, J., on wellness leave.

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[*] Designated additional Member per Special Order No. 2587 dated August 28, 2018.