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SECOND DIVISION

[G.R. Nos. L-46626-27. December 27, 1979]

REPUBLIC OF THE PHILIPPINES, *petitioner-appellant, vs.* **COURT OF APPEALS, A & A TORRIJOS ENGINEERING CORPORATION, FRANCISCA S. BOMBASI, HERCULINO M. DEO, FRUCTUOSA LABORADA and REGISTER OF DEEDS OF CALOOCAN CITY,** *respondents-appellees.*

SYLLABUS

REMEDIAL LAW; REPUBLIC ACT NO. 26; IT IS A PATENT ABSURDITY TO RECONSTITUTE EXISTING CERTIFICATES OF TITLE THAT ARE ON FILE AND AVAILABLE IN THE REGISTRY OF DEEDS.— The existence of the two titles of the Government for Lots Nos. 915 and 918 *ipso facto* nullified the reconstitution proceedings and signified that the evidence in the said proceedings as to the alleged ownership of Laborada and Bombasi cannot be given any credence. The two proceedings were sham and deceitful and were filed in bad faith. Such humbuggery or imposture cannot be countenanced and cannot be the source of legitimate rights and benefits. Republic Act No. 26 provides for a special procedure for the reconstitution of Torrens certificates of title that are missing and not fictitious titles or titles which are existing. It is a patent absurdity to reconstitute existing certificates of title that are on file and available in the registry of deeds. The reconstitution proceedings in Civil Cases Nos. C-677 and C-763 are void because they are contrary to Republic Act No. 26 and beyond the purview of that law since the titles reconstituted are actually subsisting in the registry of deeds and do not require reconstitution at all. As a rule, acts executed against the provisions of mandatory laws are void (Art. 5, Civil Code). To sustain the validity of the reconstituted titles in these cases would be to allow Republic Act No. 26 to be utilized as an instrument for landgrabbing or to sanction fraudulent machinations for depriving a registered owner of his land, to undermine the stability and security of Torrens titles and to impair the Torrens system of registration.

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BARREDO, *J.*, *concurring opinion:*

REMEDIAL LAW; REPUBLIC ACT NO. 26; RESPONSIBILITY OF JUDGES IN RECONSTITUTION PROCCEEDINGS.— Judges must bear in mind that the reconstitution of torrens titles after a war or other national catastrophe is a function that deserves the most careful and scrupulous attention, certainly not a perfunctory, much less ministerial chore to be performed on the basis simply of easily obtainable pro forma certificates of other officials concerned. I would go as far as to require oral testimony of the said official, unless this be very inconvenient, subject to closest scrutiny as to the veracity of his records. There is absolutely no excuse for a judge to ignore the actual existence of a title in the office of the Register of Deeds covering the same land claimed by another who alleges his title thereto has been lost, absent any showing of voluntary transfers or other lawful transmission by the registered owner in favor of a person from whom the petitioner could have obtained his right.

APPEARANCES OF COUNSEL

Office of the Solicitor General for petitioner.
Gonzalo D. David for respondents.

D E C I S I O N

AQUINO, *J.*:

These two cases are about the cancellation and annulment of reconstituted Torrens titles whose originals are existing and whose reconstitution was, therefore, uncalled for.

1. Lots Nos. 915 and 918 of the Tala Estate, with areas of more than twenty-five and twenty-four hectares, respectively, located at Novaliches, Caloocan, now Quezon City, are registered in the name of the *Commonwealth of the Philippines*, as shown in Transfer Certificates of Title Nos. 34594 and 34596 of the Registry of Deeds of Rizal both *dated April 30, 1938.*

The originals of those titles are on file in the registry of deeds in Pasig, Rizal. They were not destroyed during the war. Even the originals of the preceding cancelled titles for those

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two lots, namely, Transfer Certificates of Title Nos. 15832 and 15834 in the name of the Philippine Trust Company, are intact in the registry of deeds.

2. The reconstitution proceeding started when Fructuosa Laborada, a widow residing at 1665 Interior 12 Dart Street, Paco, Manila, filed in the Court of First Instance of Rizal at Caloocan City a petition dated November, 1967 for the reconstitution of the title covering the above-mentioned Lot No. 915. She alleged that she was the owner of the lot and that the title covering it, the number of which she could not specify, was "N. A." or not available (Civil Case No. C-677). The petition was sworn to on November 16, 1967 before Manila notary Domingo P. Aquino (48-52, Consolidated Record on Appeal).

3. On April 2, 1968, the lower court issued an order setting the petition for hearing on June 14, 1968. The notice of hearing was published in the Official Gazette. Copies thereof were posted in three conspicuous places in Caloocan City and were furnished the supposed adjoining owners (53-54, Consolidated Record on Appeal). The registers of deeds of Caloocan City and Rizal were not served with copies of the petition and notice of hearing.

4. State Prosecutor Enrique A. Cube, as supposed counsel for the Government, did not oppose the petition. Laborada presented her evidence before the deputy clerk of court. Judge Serafin Salvador in his "decision" dated July 6, 1968 granted the petition.

He found that Lot No. 915 was covered by a transfer certificate of title which was not available and which was issued to Maria Bueza who sold the lot to Laborada. The transfer certificate of title covering the lot was allegedly destroyed during the war. The plan and technical description for the lot were approved by the Commissioner of Land Registration who recommended favorable action on the petition (pp. 53-56, Consolidated Record on Appeal).

5. The lower court directed the register of deeds of Caloocan City to reconstitute the title for Lot No. 915 in the name of

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Laborada. The order of reconstitution was not appealed. It became final and executory.

6. Acting on the court's directive, the register of deeds issued to Laborada on August 14, 1968 Transfer Certificate of Title No. (N.A.) 3-(R). Lot No. 915 was later subdivided into seven lots, Lots Nos. 915-A to 915-G. The Acting Commissioner of Land Registration approved the subdivision plan. The register of deeds cancelled TCT No. (N.A.) 3-(R) and issued on October 15, 1968 seven titles to Laborada, namely, TCT Nos. 30257 to 30263 (pp. 56-59, 61-83, Consolidated Record on Appeal).

7. In another and later case, Civil Case No. C-763 of the lower court, one Francisca S. Bombasi, single, residing at 2021 San Marcelino Street, Malate, Manila filed in the lower court a petition dated November 16, 1967 for the reconstitution of the title of another lot, the aforementioned Lot No. 918.

She could not specify the number of the title. She alleged that the title was "N. A." or not available. She claimed to be the owner of the lot and that the title covering it was destroyed during the war. Like the first petition, the second petition was sworn to on the same date, November 16, 1967, before Manila notary Domingo P. Aquino. Why it was not filed simultaneously with Laborada's petition was not explained. (17-21, Consolidated Record on Appeal.)

8. The lower court set the second petition for hearing on January 31, 1969. As in Laborada's petition, the notice of hearing for Bombasi's petition was published in the Official Gazette. It was posted in three conspicuous places in Caloocan City and copies thereof were sent to the supposed adjoining owners (22, Consolidated Record on Appeal). But no copies of the petition and notice of hearing were served upon the registers of deeds of Caloocan City and Rizal, the officials who would be interested in the reconstitution of the supposed lost title and who could certify whether the original of the title was really missing.

9. Bombasi's petition was assigned also to Judge Salvador. It was not opposed by the government lawyers, Enrique A.

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Cube and Conrado de Leon. Judge Salvador in his order of April 3, 1969 granted the petition.

The court found from the evidence that the allegedly missing or "not available" title was issued to Regino Gollez who sold the land to petitioner Bombasi. The owner's duplicate of Gollez's title was supposedly destroyed during the war. Taxes were paid for that land by Gollez and Bombasi. The technical description of the land and the plan were approved by the Commissioner of Land Registration who submitted a report recommending the reconstitution of the title (pp. 22-25, Consolidated Record on Appeal).

10. The lower court ordered the register of deeds to reconstitute the missing title of Lot No. 918 in the name of Bombasi. Acting on that directive, the register of deeds issued to Bombasi Transfer Certificate of Title No. N.A. 4(R) dated August 27, 1969 (pp. 24-27, Consolidated Record on Appeal).

11. On March 25, 1969 or five months *before* the issuance of the reconstituted title, Francisca Bombasi, now identified as a resident of *1665 Interior 12 Dart Street, Paco, Manila, which was the same address used by Fructuosa Laborada* (Bombasi used first the address 2021 San Marcelino Street) sold Lot No. 918 to Herculano M. Deo allegedly for ₱249,880. Transfer Certificate of Title No. 34146-R was issued to Deo.

On October 28, 1969, Deo sold the lot to A & A Torrijos Engineering Corporation allegedly for ₱250,000. Transfer Certificate of Title No. 34147-R was issued to the corporation (pp. 10-11, 29-34, Consolidated Record on Appeal).

12. On May 25 and 26, 1970, the State filed two petitions for the cancellation and annulment of the reconstituted titles and the titles issued subsequent thereto (Civil Cases Nos. 1784 and 1785). Judge Salvador, who had ordered the reconstitution of the titles and to whom the two cases for cancellation were assigned, issued on June 5, 1970 restraining orders enjoining the register of deeds, city engineer and Commissioner of Land Registration from accepting or recording any transaction regarding Lots Nos. 915 and 918.

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13. The respondents in the two cases, through a common lawyer, filed separate answers containing mere denials. The Commissioner of Land Registration filed *pro forma* answers wherein he interposed no objection to the issuance of the preliminary injunction sought by the State.

After a joint trial of the two cases, respondents corporation and Laborada filed amended answers wherein they pleaded the defense that they were purchasers in good faith and for value.

14. On June 22, 1972, Judge Salvador (who did not bother to inhibit himself) rendered a decision in the two cases holding that the State's evidence was insufficient to establish its ownership and possession of Lots Nos. 915 and 918 and that Laborada and A & A Torrijos Engineering Corporation were purchasers in good faith and for value and, consequently, their titles are not cancellable and annullable.

Judge Salvador further held that the titles, whose reconstitution he had ordered allegedly in conformity with law, could not be attacked collaterally and, therefore, "the reconstituted titles and their derivatives have the same validity, force and effect as the originals before the reconstitution" (pp. 160-161, Consolidated Record on Appeal). The State appealed.

15. The Court of Appeals, in affirming the lower court's judgment, held that the orders of reconstitution dated July 6, 1968 and April 3, 1969 could no longer be set aside on May 26, 1970, when the petitions for annulment and cancellation of the reconstituted titles were filed, and that if there were irregularities in the reconstitution, then, as between two innocent parties, the State, as the party that made possible the reconstitution, should suffer the loss. The Court of Appeals cited Section 101 of Act 496 to support its view that a registered owner may lose his land "by the registration of any other person as owner of such land."

The State appealed to this Court. We hold that the appeal is justified. The Appellate Court and the trial court grievously erred in sustaining the validity of the reconstituted titles which,

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although issued with judicial sanction, are no better than spurious and forged titles.

In all candor, it should be stated that the reconstitution proceedings, Civil Cases Nos. C-677 and C-763, were simply devices employed by petitioners Laborada and Bombasi for *landgrabbing* or for the usurpation and illegal appropriation of fifty hectares of State-owned urban land with considerable value.

The crucial and decisive fact, to which no importance was attached by the lower court and the Fifth Division of the Court of Appeals (Reyes, L.B., Domondon and Ericta, *JJ.*), is that two valid and existing Torrens titles in the name of the Commonwealth of the Philippines were needlessly reconstituted in the names of Laborada and Bombasi on the false or perjurious assumption that the two titles were destroyed during the war.

That kind of reconstitution was a brazen and monstrous fraud foisted on the courts of justice. It was a stultification of the judicial process. One and the same judge (1) allowed the reconstitution and then (2) decided the two subsequent cases for the cancellation and annulment of the wrongfully reconstituted titles.

The existence of the two titles of the Government for Lots Nos. 915 and 918 *ipso facto* nullified the reconstitution proceedings and signified that the evidence in the said proceedings as to the alleged ownership of Laborada and Bombasi cannot be given any credence. The two proceedings were sham and deceitful and were filed in bad faith. Such humbuggery or imposture cannot be countenanced and cannot be the source of legitimate rights and benefits.

Republic Act No. 26 provides for a special procedure for the reconstitution of Torrens certificates of title that are missing and not fictitious titles or titles which are existing. It is a patent absurdity to reconstitute existing certificates of title that are on file and available in the registry of deeds.

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The reconstitution proceedings in Civil Cases Nos. C-677 and C-763 are void because they are contrary to Republic Act No. 26 and beyond the purview of that law since the titles reconstituted are actually subsisting in the registry of deeds and do not require reconstitution at all. As a rule, acts executed against the provisions of mandatory laws are void (Art. 5, Civil Code).

To sustain the validity of the reconstituted titles in these cases would be to allow Republic Act No. 26 to be utilized as an instrument for landgrabbing (See *Republic vs. Court of Appeals, Ocampo and Anglo*, L-31303-04, May 31, 1978, 83 SCRA 453, 480, per *J.* G.S. Santos) or to sanction fraudulent machinations for depriving a registered owner of his land, to undermine the stability and security of Torrens titles and to impair the Torrens system of registration.

The theory of A & A Torrijos Engineering Corporation that it was a purchaser in good faith and for value is indefensible because the title of the lot which it purchased unmistakably shows that such title was reconstituted. That circumstance should have alerted its officers to make the necessary investigation in the registry of deeds of Caloocan City and Rizal where they could have found that Lot 918 is owned by the State.

WHEREFORE, the decisions of the Court of Appeals and the trial court are reversed and set aside. The reconstitution proceedings in Civil Cases Nos. C-677 and C-763 are declared void and are set aside. The reconstituted titles, Transfer Certificates of Title Nos. N.A. 3-(R) and N.A. 4-(R), and Transfer Certificates of Title Nos. 34146-R, 34147-R and 30257 to 30263 and the survey plans and subdivision plan connected therewith are likewise declared void. The register of deeds is directed to cancel the said titles.

The Republic of the Philippines, as the successor of the Commonwealth of the Philippines, is hereby declared the registered owner of Lots 915 and 918 of the Tala Estate, as shown in Transfer Certificates of Title Nos. 34594 and 34596 of the registry of deeds of Rizal. Costs against the private respondents-appellees.

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SO ORDERED.

Concepcion Jr. and *Santos, JJ.*, concur.

Barredo (Chairman), J., concurs with a separate opinion.

Abad Santos, J., I concur. My vocabulary is inadequate to express my disgust and indignation at this brazen landgrabbing.

Antonio, J., took no part.

CONCURRING OPINION

BARREDO, *J.*:

I concur fully in the well-reasoned main opinion of Mr. Justice Aquino, if only because it is to me inconceivable how any court can order the reconstitution of a supposed lost torrens title when the record shows beyond doubt that the land in question, per its technical description and location, is covered already by another title actually subsisting in the office of the corresponding register of deeds.

I am writing this separate opinion only to underscore my considered view that considering the records that the various offices of the government having to do with the matter should keep regularly, like the Land Registration Commission, the Bureau of Lands and the corresponding Register of Deeds, only bad faith and bad faith alone can give occasion to occurrences like what happened in this case. The Torrens system of land registration was conceived to give every duly registered owner complete peace of mind as long as he has not voluntarily disposed of any right over the same in the manner allowed by law that he would be safe in his ownership and its consequent rights. The provision about recourse to the Assurance Fund was not included in the Act for the benefit of scoundrels who might ingeniously "steal" lands nor to open opportunities for chicanery of any shade or mode.

Nor is the judiciary without any responsibility in the premises. Judges must bear in mind that the reconstitution of torrens titles after a war or other national catastrophe is a function that deserves the most careful and scrupulous attention, certainly

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not a perfunctory, much less ministerial chore to be performed on the basis simply of easily obtainable pro forma certificates of other officials concerned. I would go as far as to require oral testimony of the said official, unless this be very inconvenient, subject to closest scrutiny as to the veracity of his records. There is absolutely no excuse for a judge to ignore the actual existence of a title in the office of the Register of Deeds covering the same land claimed by another who alleges his title thereto has been lost, absent any showing of voluntary transfers or other lawful transmission by the registered owner in favor of a person from whom the petitioner could have obtained his right.

There are too many fake titles being peddled around and it behooves every official of the government whose functions concern the issuance of legal titles to see to it that this plague that has made a mockery of the Torrens system is eradicated right now through their loyalty, devotion, honesty and integrity, in the interest of our country and people at large.

SECOND DIVISION

[G.R. No. L-47146. December 27, 1979]

LOLITA SANTOS, *petitioner, vs.* **DEPARTMENT OF LABOR and MANILA BAY HOSIERY MILLS INC.,** *respondents.*

SYLLABUS

1. LABOR AND SOCIAL LEGISLATION; WORKMEN'S COMPENSATION ACT; THE REFEREE'S DECISION WHICH HAS BECOME FINAL AND EXECUTORY CAN NO LONGER