

THIRD DIVISION

[G.R. No. 211253, February 10, 2021]

CELEDENIO C. DEMEGILLO, PETITIONER, VS. ARTURO S. LUMAMPAO, MARIA LUZ FANCOBILA, CONCEPCION L. DEMAVIVAS, AND IMELDA L. BABAAN, RESPONDENTS.

[G.R. No. 211259]

CONCEPCION L. DEMAVIVAS PETITIONER, VS. CELEDENIO C. DEMEGILLO RESPONDENT.

DECISION

HERNANDO, J.:

These consolidated Petitions for Review on *Certiorari*^[1] assail the May 30, 2013 Decision^[2] and January 15, 2014 Resolution^[3] of the Court of Appeals (CA) in CA-G.R. CV No. 02126-MIN reversing and setting aside the February 2, 2010 Judgment^[4] of the Regional Trial Court (RTC), Branch 6, Prosperidad, Agusan del Sur in Civil Case No. 999 (civil case) which declared petitioner Celedonio C. Demegillo (Demegillo) to be the absolute owner of a portion of a parcel of land subject of this case. In its January 15, 2014 Resolution, the CA refused to reconsider its earlier Decision.

Factual Antecedents:

The instant petitions originated from a Complaint^[5] for *accion publiciana* with damages and attorney's fees filed by respondent Concepcion L. Demavivas (Demavivas), along with her co-plaintiffs in the civil case, namely, Arturo S. Lumampao (Lumampao), Luz L. Fancobila (Fancobila), and Imelda L. Babaan (Babaan; collectively, co-plaintiffs) against petitioner Demegillo involving a parcel of land (Lot 3106) situated at Trento, Agusan del Sur containing an area of 95,689 square meters registered under the names of Demavivas, Lumampao, Fanconbila, and Babaan and covered by Original Certificate of Title (OCT) No. D-4960^[6] issued by the Registry of Deeds of the Province of Agusan del Sur.

As gathered from the records of the case, Demavivas and her coplaintiffs are the surviving children of their deceased father, Adolfo Lumampao (Adolfo). They alleged that shortly before Adolfo's death in 1992, Demegillo entered and tilled a 3-hectare portion of Lot 3106. Meanwhile, the Director of Agrarian Reform (DAR) of Agusan del Sur approved the homestead application of Adolfo over Lot 3106. On October 21, 1993, Certificate of Land Ownership Award (CLOA) No. 00029958^[7] was issued in the name of Demavivas and her co-plaintiffs. On November 5, 1993, CLOA No. 00029958 was registered with the Register of Deeds of Agusan del Sur resulting in the issuance of OCT No. D-4960^[8] in the names of Demavivas and her co-plaintiffs.

The foregoing notwithstanding, Demegillo refused to vacate the property despite repeated demands thereby prompting Demavivas and her coplaintiffs to file a complaint for *accion publiciana* against him.

While the civil case was pending trial before the RTC, Demegillo, on June 14, 1994, filed with the Department of Agrarian Reform Adjudication Board (DARAB) of San Francisco, Agusan del Sur a complaint, docketed as DARAB Case No. XIII(03)-4679 (DARAB Case), against the heirs of Adolfo for the cancellation of CLOA No. 00029958 on the ground that it erroneously included Demegillo's 3-hectare share in Lot 3106.^[9]

Meanwhile, in his Answer with Counterclaim^[10] filed on July 7, 1994 with the RTC, Demegillo averred that he is the lawful owner and possessor of a 3-hectare portion of Lot 3106 since 1974. Demegillo claimed that he, together with Adolfo, and a certain Nicolas Vapor (Vapor) were the previous occupants of Lot 3106. On September 15, 1977, Demegillo, Adolfo and Vapor entered into a written agreement^[11] to subdivide Lot 3106, and thereafter, allotted among themselves portions of the land measuring three hectares each. On March 23, 1980, Vapor, by virtue of a notarized agreement^[12] denominated as Transfer of Rights with Sale of Improvements, sold and ceded his share in Lot 3106 to Adolfo, which supposedly included Demegillo's 3-hectare share. Adolfo then utilized the notarized agreement for an exclusive homestead application with the DAR over the entire area of Lot 3106.

Despite Demegillo's protest^[13] over Adolfo's homestead application, the DAR granted to Demavivas, Lumampao, Fancobila, and Babaan CLOA No. 00029958, now registered as OCT No. D-4960.^[14] Considering the foregoing premises, Demegillo thus prayed that the RTC render judgment: (1) nullifying OCT No. D-4960, insofar as his portion of the property is concerned, and (2) declaring him as the lawful owner and possessor of the 3-hectare portion of Lot 3106.^[15]

Before the RTC could rule on the merits of the complaint for *accion publiciana*, Provincial Agrarian Reform Adjudicator (PARAD) Abeto A. Salcedo, Jr., on November 24, 2008, rendered a Decision^[16] dismissing Demegillo's complaint. The PARAD ruled that Demegillo lacked the legal personality to file the complaint for cancellation of CLOA No. 00029958 and did not have a vested right over his alleged portion in Lot 3106 considering that he was a mere applicant, and not a grantee, of a homestead application covering the 3-hectare portion of Lot 3106. The PARAD did not also validate Demegillo's claim of prior occupation of Lot 3106, and further held that he has "no claim of right based merely on continuous possession if the land is registered under the Torrens System in the name of another because the latter's rights are indefeasible as against the whole world."^[17]

Significantly, towards the homestretch of the proceedings before the trial court, Demavivas and her co-plaintiffs brought to its attention the November 24, 2008 Decision of the PARAD.

Ruling of the

**Regional
Trial
Court:**

After trial on the merits, the RTC found that CLOA No. 00029958 was erroneously issued insofar as it included Demegillo's 3-hectare share in Lot 3106. The dispositive portion of the judgment reads:

WHEREFORE, judgment is hereby rendered in favor of the defendant and against the plaintiffs:

1. Declaring that defendant has been in lawful, adverse and continuous possession since 1974 of the subject three-hectare portion of Lot 3160, Pls-4 Trento, Agusan del Sur;
2. Declaring that Original Certificate of Title No. D-4960 erroneously covers the whole area of 95,689 square meters of Lot 3160 in the name of plaintiffs;
3. Ordering the Register of Deeds of Agusan del Sur to cancel said OCT No. D-4960 and in lieu thereof issue another certificate of title still in the name of plaintiffs less three hectares or for about 65,689 square meters only, and another certificate of title in the name of defendant Celedonio D. Demegillo for an area of three hectares occupied by him within Lot 3160;
4. Ordering the plaintiffs to respect defendant's three-hectare portion.
5. Finding plaintiffs guilty of bad faith in pursuing a fraudulent land application and filing this case, and thus, ordering them jointly and severally to indemnify defendant P30,000.00 as moral damages, P20,000[.] as refund for attorney's fees and P20,000.00 for litigation expenses, with interest of 12% per annum from the finality of this judgment until fully paid, plus costs.

SO ORDERED.^[18]

The trial court relied on two documents presented by Demegillo during trial, particularly: (1) the September 15, 1977 written agreement^[19] subdividing Lot 3106 among Demegillo, Adolfo, and Vapor; and (2) the March 23, 1980 notarized agreement^[20] signifying the sale and transfer of the entire area of Lot 3106 from Vapor to Adolfo. The RTC found that the September 15, 1977 written agreement supports the conclusion that Adolfo was not the sole occupant of Lot 3106 prior to 1980. While the March 23, 1980 notarized agreement may support the claim that Adolfo is the owner of Lot 3106, the same document is consistent with the RTC's finding that Adolfo had no prior possession of the entire property before 1980. In this respect, Demavivas, Lumampao, Fancobila, and Babaan were thereby charged with notice that Demegillo occupied a one-third portion of Lot 3106 subject of Adolfo's homestead application with the DAR. This notwithstanding, they pursued their claim that Adolfo is the sole owner and possessor of Lot 3106, misled the DAR into issuing in their favor the questioned CLOA and, subsequently, secured a title for the entire area of the land under their names.

While the November 28, 2008 Decision of the PARAD found in favor of Demavivas and her co-plaintiffs, the RTC held that its presentation proved fatal to their cause since the PARAD's factual findings actually sustained Demegillo's claim that Adolfo was not the sole possessor and occupant of Lot 3106. The trial court further emphasized that while findings of the PARAD are binding and conclusive upon the court, such findings merely refer to findings of fact and not to conclusions of law.

The RTC also gave credence to Demegillo's claim that the District Land Office (Prosperidad) of the Bureau of Lands ignored his June 26, 1986 Land Protest against Adolfo's homestead application, and that the DAR supposedly awarded to Adolfo's children CLOA No. 00029958 without conducting an ocular inspection of the property.

Treating Demegillo's Answer with Counterclaim as an action for reconveyance, and finding the November 28, 2008 Decision of the PARAD as erroneous, the RTC ordered for the cancellation of OCT No. D-4960, and held in this wise:

[The PARAD] erroneously assumes that all titles registered in the name of the applicant *conclusively* shuts the door to any remedy by an aggrieved party. It forecloses an action for *reconveyance* which is allowed by jurisprudence pertinently holding, among others, that the absence of an ocular inspection or any on-site fact-finding investigation and report is violative of the right to property through the denial of due process and that a title derived from a free patent which was fraudulently obtained does not become indefeasible and is open to collateral attack.^[21]

Demavivas and her co-plaintiffs thus filed a Notice of Appeal^[22] which was given due course by the RTC in an Order^[23] dated February 19, 2010.

Ruling of the Court of Appeals:

The CA, in its May 30, 2013, Decision,^[24] granted the appeal and set aside the February 2, 2010 Judgment of the RTC, to wit:

WHEREFORE, the appeal is GRANTED. The assailed Decision dated February 2, 2010 of the Regional Trial Court, Branch 6, Prosperidad, Agusan del Sur is hereby REVERSED and SET ASIDE. Let a new judgment be entered DECLARING the appellants as the rightful and absolute owners of Lot 3106 including the 3-hectare portion occupied by the appellee and ORDERING the appellee to vacate and surrender the premises to the appellants.

SO ORDERED.^[25]

Relying heavily on the November 28, 2008 Decision in the DARAB case, the appellate court agreed with the pronouncement of the PARAD that the CLOA issued to Demavivas and her co-plaintiffs, which was later registered with the Registry of Deeds, conferred on them the imprescriptible title over Lot 3106 after the lapse of one year from issuance thereof. Considering that OCT No. D-4960 was issued to them on November 5, 1993, their title had already become incontrovertible, and as such, is already "conclusive evidence of their ownership to Lot 3106 and their right

of dominion over it can no longer be challenged."^[26] The CA also faulted the RTC for ordering the cancellation of registration of Lot 3106 since the property was already decreed in the name of Demavivas and her co-plaintiffs in the previous DARAB Case.

The appellate court also accepted the PARAD's ruling that Demegillo did not have legal personality to assail the title of Demavivas and her coplaintiffs over the property since he was a mere applicant, and not a grantee, of a homestead patent. The CA emphasized that Demegillo, who in this case has not obtained title to public land, cannot question the title legally issued by the State. As such, the right to bring an action for the cancellation of CLOA No. 00029958 and OCT No. D-4960 belonged to the government to which the property would revert.

Moreover, the CA held that the RTC committed error when it declared Demegillo as the lawful and owner and possessor of the 3-hectare portion of Lot 3106. The CA explained it in this wise, *viz.*:

As discussed above, the CLOA and the OCT issued to the appellants had already become indefeasible, hence, they could no longer be challenged. What makes error of the court more apparent is that the DARAB decision had long attained finality. Yet, the court *a quo* litigated once more the issue of ownership in favor of the appellee when it should be bound by the finality of the DARAB's decision. In other words, the court *a quo* should have refrained from a repeated consideration of the very same issue that has already been settled and instead, should have accorded due respect and finality to the DARAB's findings of fact. The court *a quo's* failure to do so led to its erroneous conclusion.^[27]

The CA, however, did not categorically rule on Demavivas' and her coplaintiffs' claim for damages and attorney's fees against Demegillo.

Notably, after the CA rendered its May 30, 2013 Decision, the DARAB, in its June 4, 2013 Decision,^[28] affirmed the November 28, 2008 Decision of the PARAD in the DARAB Case. The records show that Demegillo did not file an appeal therefrom.

In a January 15, 2014 Resolution,^[29] the CA denied the Motions for Reconsideration^[30] of the parties. Hence, Demegillo and Demavivas^[31] filed with this Court their respective petitions for review on *certiorari*^[32] on March 31, 2014.

Issues

G.R. No. 211253:

Demegillo presents the following issues for this Court's resolution:

A. The Court of Appeals erred in declaring that respondents are the owners of the subject lot, as allegedly settled by the DARAB in its Decision dated November 24, 2008.^[33]

B. The Court of Appeals erred in declaring that the RTC has no jurisdiction to order the registration of 3-hectare portion of Lot 3106 in the name of appellee.^[34]