

SECOND DIVISION

[G.R. No. 209081, June 19, 2019]

**HEIRS OF SPOUSES MONICO SUYAM AND CARMEN BASUYAO^[*]
(BOTH DECEASED), NAMELY: OLIVER B. SUYAM, MABLE B. SUYAM, CHRISTOPHER B. SUYAM, ABEL B. SUYAM, AND CHESTER B. SUYAM, REPRESENTED BY THEIR ATTORNEY-INFACT AND ON HIS OWN BEHALF, TELESFORO B. SUYAM, PETITIONERS, V. HEIRS OF FELICIANO JULATON @ PONCIANO, NAMELY: LUCINA J. BADUA, SEMEON JULATON, JULIANA J. BUCASAS, ISABEL^[**] J. ALLAS, RODOLFO JULATON, CANDIDA^[***] J. GAMIT, REPRESENTED BY THEIR ATTORNEY-IN FACT AND ON HER OWN BEHALF, CONSOLACION JULATON, RESPONDENTS.**

DECISION

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 petitioners Heirs of Spouses Monico Suyam (Monico) and Carmen Basuyao (Carmen) (collectively, the Sps. Suyam), namely: Oliver, Mable, Christopher, Abel and Chester, all with the surname Suyam (collectively, the Heirs of Sps. Suyam), assailing the Decision^[2] dated February 26, 2013 (assailed Decision) and Resolution^[3] dated September 2, 2013 (assailed Resolution) of the Court of Appeals (CA) in CA-G.R. CV No. 96366.

The Facts and Antecedent Proceedings

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

On June 20, 2001, the respondents Heirs of Feliciano Julaton (Feliciano), a.k.a. Ponciano, namely: Lucina J. Badua, Semeon Julaton, Juliana J. Bucasas, Isabel J. Allas, Rodolfo Julaton, Candida J. Gamit, represented by their attorney-in-fact and on her own behalf, Consolacion Julaton (Consolacion) (collectively, the Heirs of Feliciano), filed a Complaint^[4] for Recovery of Ownership, Cancellation of Title, Annulment of Sale, Reinstatement of Title, Reconveyance and Damages (Complaint) before the Municipal Circuit Trial Court of Maddela-Nagtipunan, Quirino (MCTC) against the Sps. Suyam and Isabel Ramos (Isabel). The case was docketed as Civil Case No. 372.

It was alleged in the Complaint that the Heirs of Feliciano have a valid claim of ownership over a parcel of land located at Dipintin, Maddela, Quirino (subject property), which was allegedly originally owned by Feliciano. It is further alleged that Feliciano had been in possession of the subject property as early as the 1940s or 1950s, and that the Heirs of Feliciano had been cultivating the subject property

personally and through their tenants. Furthermore, it is alleged that the Heirs of Feliciano had declared the subject property as their own for taxation purposes and had paid realty taxes thereon.^[5]

The controversy arose when, in 1997, upon trying to pay tax arrears on the subject property at the Treasurer's Office in Maddela, Quirino, the Heirs of Feliciano were informed that the subject property had been declared for taxation purposes by the Sps. Suyam. It was discovered that the Sps. Suyam purchased the subject property from Isabel, who was supposedly issued a patent and a corresponding Original Certificate of Title (OCT), *i.e.*, OCT No. P-1081^[6] in 1980. In 1987, Transfer Certificate of Title (TCT) No. T-5864^[7] was issued in the name of the Sps. Suyam.^[8]

The Heirs of Feliciano vigorously maintained that Isabel acquired title to the subject property fraudulently as she had never possessed or declared ownership of the subject property. Further, the Heirs of Feliciano alleged that the Sps. Suyam were buyers in bad faith because they did not verify who was in possession of the subject property prior to purchasing the same.^[9]

In the course of the proceedings, Monico passed away. Hence, he was substituted by the Heirs of Sps. Suyam. Isabel failed to file any responsive pleading and was thus declared in default.

On February 12, 2002, the Heirs of Sps. Suyam filed a Motion^[10] to dismiss the Complaint (Motion) on the ground that the MCTC has no jurisdiction over the Complaint, that the Complaint states no cause of action, and that the action brought by the Heirs of Feliciano is not covered by the Rules on Summary Procedure. The MCTC denied the Motion in two (2) Orders, *i.e.*, the Order^[11] dated June 20, 2002 directing the Heirs of Sps. Suyam to file their Answer and the Order^[12] dated August 23, 2002 setting the hearing of the case to September 5, 2002.

On July 30, 2002, Carmen filed an Answer,^[13] denying the allegations in the Complaint. Carmen argued that they are not buyers in bad faith when they purchased the subject property as they merely relied on the OCT possessed by their predecessor-in-interest, Isabel.

However, in an Order^[14] dated December 29, 2005, the new MCTC Judge, *i.e.*, Acting Presiding Judge Josephine B. Gayagay, set aside the aforesaid Orders and granted the Motion on the ground of lack of jurisdiction. The MCTC held that the Complaint involved several causes of action that comprehend more than the issue of title to, possession of, or any interest in the subject property, such as annulment of contract, reconveyance, and specific performance. According to the MCTC, these are actions incapable of pecuniary estimation and are within the jurisdiction of the Regional Trial Court.

On March 14, 2006, the Heirs of Feliciano filed an appeal before the Regional Trial Court of Maddela, Quirino, Branch 38 (RTC).

On August 2, 2006, the RTC issued an Order^[15] affirming the MCTC's Order dated December 29, 2005. Nonetheless, the RTC took cognizance of the Complaint and directed the setting of the case for pre-trial. Trial then ensued.

The Ruling of the RTC

In its Decision^[16] dated September 30, 2010, the RTC dismissed the Complaint for lack of merit. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered **DISMISSING** the complaint of plaintiffs against the defendants for lack of merit.

The counterclaim of the defendants against plaintiffs is also **DISMISSED** for lack of evidence.

SO ORDERED.^[17]

In sum, the RTC believed that the Heirs of Feliciano "failed to establish by clear and convincing evidence their public, peaceful and uninterrupted possession in the concept of an owner of the litigated property."^[18]

Feeling aggrieved, the Heirs of Feliciano appealed before the CA.^[19]

The Ruling of the CA

In its assailed Decision, the CA reversed the RTC's Decision and granted the Heirs of Feliciano's appeal. The dispositive portion of the assailed Decision reads:

WHEREFORE, the instant appeal is hereby **GRANTED**. The Decision dated September 30, 2010 of the Regional Trial Court, Branch 38, Maddela, Quirino in Civil Case No. 372 for *Recovery of Ownership, Cancellation of Title, Annulment of Sale, Reinstatement of Title, Reconveyance and Damages* is **REVERSED and SET ASIDE**.

The Register of Deeds of Quirino is directed to **CANCEL** the following titles: Original Certificate of Title No. P-1 081 in the name of Isabel Ramos, and Transfer Certificate of Title No. T-5864 in the name of Monico Suyam married to Carmen Basuyao.

We declare [the] appellants to be entitled to the possession of the subject land and may now apply for its registration before the proper court.

SO ORDERED.^[20]

Upon examination of the evidence on record, the CA found that there is "scant evidence either to declare that defendant Isabel's OCT No. P-1081 or that appellees' TCT No. T-5864, were issued validly and legally, and, therefore, We are constrained to direct and order the cancellation of the aforementioned titles, and declare the entitlement of appellants to the subject land."^[21] The CA thoroughly explained that, contrary to the findings of the RTC, several uncontroverted facts "prove that there was no natural interruption, for prescription, in [the Heirs of Feliciano's] possession of the subject land."^[22]

Hence, the instant Petition filed by the Heirs of Sps. Suyam under Rule 45 of the Rules of Court.

The Heirs of Feliciano filed their Comment^[23] dated April 6, 2014, to which the Heirs of Sps. Suyam responded with their Reply^[24] dated November 26, 2014.

Issue

The Heirs of Sps. Suyam pose a singular issue for the Court's disposition: whether the CA gravely erred in reversing the Decision of the RTC, thereby granting the Heirs of Feliciano's Complaint for recovery of ownership, cancellation of title, annulment of sale, reinstatement of title, reconveyance and damages.

The Court's Ruling

Upon a close reading of the records of the instant case, the Court finds no cogent reason to reverse the CA's assailed Decision and Resolution and resolves to deny the instant Petition for lack of merit.

It is not disputed that the Heirs of Sps. Suyam trace their supposed ownership of the subject property to their predecessor-in-interest, Isabel. The latter allegedly gained ownership over the subject property when a patent was issued in her favor, leading to the issuance of OCT No. P-1081 in 1980.

A perusal of OCT No. P-1081 reveals that the patent issued in favor of Isabel is a homestead patent, *i.e.*, Homestead Patent No. 151715, issued on August 4, 1980.

Under Section 11, Chapter III of Commonwealth Act No. 141, otherwise known as the Public Land Act, **only public lands suitable for agricultural purposes** can be disposed by virtue of a homestead settlement.

According to Section 14 of the Public Land Act, no certificate of title shall be issued pursuant to a homestead patent application made under Section 13 unless **one-fifth of the land has been improved and cultivated by the applicant within no less than one and no more than five years from and after the date of the approval of the application**. The certificate shall issue only when the applicant shall prove that **he has resided continuously for at least one year in the municipality in which the land is located, or in a municipality adjacent to the same, and has cultivated at least one-fifth of the land continuously since the approval of the application**:

SEC. 13. Upon the filing of an application for a homestead, the Director of Lands, if he finds that the application should be approved, shall do so and authorize the applicant to take possession of the land upon the payment of five pesos, Philippine Currency, as entry fee. Within six months from and after the date of the approval of the application, the applicant shall begin to work the homestead, otherwise he shall lose his prior right to the land.

SEC. 14. No certificate shall be given or patent issued for the land applied for until at least one-fifth of the land has been improved and cultivated. The period within which the land shall be cultivated shall not be less than one nor more than five years, from and after the date of the approval of the application. The applicant shall, within the said period, notify the Director of Lands as soon as he is ready to acquire the title. If at the date of such notice, the applicant shall prove to the satisfaction of the Director of Lands, that he has resided continuously for at least one year in the municipality in which the land is located, or in a municipality adjacent to the same, and has cultivated at least one-fifth of the land continuously since the approval of the application, and shall make

affidavit that no part of said land has been alienated or encumbered, and that he has complied with all the requirements of this Act, then, upon the payment of five pesos, as final fee, he shall be entitled to a patent.

In the instant case, as correctly held by the CA in its assailed Decision, the subject property was clearly acquired by Isabel through a fraudulently issued homestead patent.

First and foremost, **a homestead patent secured through fraudulent misrepresentation is held to be null and void.**^[25] As held in *Republic of the Philippines v. Court of Appeals*,^[26] citing *Rep. of the Phils. v. Mina*,^[27] the Court explained that a certificate of title that is void may be ordered canceled. And, a title will be considered void if it is procured through fraud, as when a person applies for registration of the land on the claim that he has been occupying and cultivating it. In the case of disposable public lands, **failure on the part of the grantee to comply with the conditions imposed by law is a ground for holding such title void.** The lapse of one (1) year period within which a decree of title may be reopened for fraud would not prevent the cancellation thereof for to hold that a title may become indefeasible by registration, even if such title had been secured through fraud or in violation of the law would be the height of absurdity. Registration should not be a shield of fraud in securing title.

It is clear from the undisputed facts that Isabel failed to comply with any of the conditions imposed under Section 14 of the Public Land Act for the granting of a certificate of title pursuant to a homestead patent application.

It is not seriously disputed that **Isabel has never possessed, much more continuously cultivated, the subject property.** During the pre-trial held before the RTC on June 17, 2008, it was expressly stipulated by the parties that "**[t]he [Heirs of Feliciano] have been in possession of the land in question for a long time, but the [Heirs of Sps. Suyam] have never been in possession thereof** despite the fact that they are residents of the same place where the land is located (Dipintin, Maddela, Quirino)."^[28]

In fact, even the RTC factually found that **the nephew of Feliciano, Cipriano Marzan (Cipriano), started tilling the subject property as a tenant of the Heirs of Feliciano as early as 1966.**^[29] As noted by the CA, Isabel "never appeared to possess or lay claim over the subject land even as Cipriano was physically present on the subject land since 1966, tilling and harvesting crops."^[30] Hence, it is abundantly clear that Isabel never cultivated the land.

Second, as further noted by the CA, not only did Isabel fail to declare the subject property for taxation purposes under her name and to pay any realty taxes, lending more credence to the fact that Isabel never possessed and cultivated the subject property, as a matter of fact, at the time when Isabel was supposed to cultivate the subject property in view of the purported homestead patent application as a prerequisite for the issuance of the OCT, since 1978, it was the Heirs of Feliciano who had been paying real estate taxes.^[31]

The CA stressed that when "OCT No. P-1081 [was issued in favor of Isabel] in 1980, [the Heirs of Feliciano] were paying the realty taxes."^[32] The CA stressed that while Isabel never declared the subject land for taxation purposes, "the tax declaration