

FIRST DIVISION

[G.R. No. 223660, April 02, 2018]

LOURDES VALDERAMA, PETITIONER, VS. SONIA ARGUELLES AND LORNA ARGUELLES, RESPONDENTS.

DECISION

TIJAM, J.:

Before this Court is a petition for review^[1] under Rule 45 of the Rules of Court filed by Lourdes Valderama (petitioner) assailing the Decision^[2] dated December 14, 2015 and Resolution^[3] dated February 24, 2016 of the Court of Appeals (CA) in CA-G.R. CV No. 103744. In the said Decision, the CA dismissed the petitioner's appeal of the Resolutions^[4] dated April 11, 2014 and July 31, 2014 of the Regional Trial Court (RTC) in Case No. P-09-499 LRC REC. No. 2400 ordering the cancellation of the Notice of Adverse Claim made as Entry No. 8957/Vol. 132/T-266311, Registry of Deeds of Manila.

The Antecedents

On December 11, 2009, Sonia Arguelles and Lorna Arguelles (respondents) filed a petition to cancel adverse claim^[5] involving a parcel of land covered by Transfer Certificate of Title (TCT) No. 266311.^[6] The petition was docketed as Case No. P-09-499, LRC Record No. 2400 before the RTC, Branch 4, Manila.

In their petition, respondents alleged that on November 18, 2004, Conchita Amongo Francia (Conchita), who was the registered owner of a parcel of land consisting of one thousand (1000) square meters located in Sampaloc, Manila and covered by TCT No. 180198 (subject property), freely and voluntarily executed an absolute deed of sale of the subject property in favor of respondents. The subject property was subsequently registered in the names of respondents under TCT No. 266311.^[7]

On November 14, 2007, Conchita filed an affidavit of adverse claim^[8] which was registered and annotated on TCT No. 266311. On January 24, 2008, Conchita died. As registered owners of the subject property, respondents prayed for the cancellation of the adverse claim in the petition subject of this controversy.^[9]

On February 10, 2010, petitioner and Tarcila Lopez (Tarcila), as full blooded sisters of Conchita, filed an opposition^[10] to the petition. They claimed that upon Conchita's death, the latter's claims and rights against the subject property were transmitted to her heirs by operation of law.^[11] They also argued that the sale of the subject property to the respondents was simulated as evidenced by the following, among others: (1) Conchita had continuous physical and legal possession over the subject property; (2) Conchita was the one paying for the real estate taxes

for the subject property; and (3) Conchita had in her possession, up to the time of her death, the Owner's Duplicate Copy of the TCT No. 266311.^[12]

Meanwhile, on September 24, 2013, while the petition to cancel adverse claim was pending before the RTC, respondents filed a complaint^[13] for recovery of ownership and physical possession of a piece of realty and its improvements with damages and with prayer for the issuance of temporary restraining order and/or writ of preliminary injunction against petitioner and Tarcila, among others. The complaint was docketed as Civil Case No. 13130761 and raffled to the RTC, Branch 47, Manila.

In light of the respondent's filing of the complaint, petitioner and Tarcila filed a notice of *lis pendens*^[14] with respect to the TCT No. 266311 on October 22, 2013.

On November 21, 2013, respondents filed a manifestation and motion^[15] praying for the outright cancellation of the adverse claim annotated on the TCT No. 266311 on the ground that petitioner's subsequent filing of notice of *lis pendens* rendered the issue moot and academic.

After an exchange of several pleadings between the parties, the RTC issued a Resolution^[16] on April 11, 2014 ordering the cancellation of the adverse claim. In arriving at the said ruling, the RTC reasoned, thus:

From the examination of pleadings between the parties relative to Civil Case No. 13130761, ownership and physical possession are sufficiently made as issues between the parties in the said case. The parties have effectively submitted themselves to the jurisdiction and disposition of the court relative to claims of ownership and possession over the property covered by Transfer Certificate of Title No. 266311 of the Registry of Deeds for the City of Manila.

While this court is aware of the case of Spouses Sajonas vs. Court of Appeals, Et Al., G.R. No. 102377 (July 5, 1996), it cannot disregard the pronouncement of the court in Villaflor vs. Juerzan, G.R. No. 35205 (April 17, 1990) which states that a Notice of Lis Pendens between the parties concerning Notice of Adverse Claim calls for the cancellation thereof. Hence, to reconcile with the two cases, this court orders the cancellation of the Adverse Claim in view of the Notice of Lis Pendens annotated on TCT No. 266311.

Considering, however, the case between the parties pending before Branch 47, the cancellation brought about by the Notice of Lis Pendens is in no way in determination as to the veracity and substance of the adverse claim. The cancellation does not touch upon the issues of ownership and possession which is the property left to the jurisdiction disposition of Branch 47 of the Regional Trial Court of Manila. If this court will continue with determining the substance of the questioned adverse claim then there is a possibility that two adverse decisions will result. Thus, this court leaves the issues of ownership on possession of the wisdom of Branch 47 of the Manila Regional Trial Court.

WHEREFORE, premises considered, the Notice of Adverse Claim made as Entry No. 8957/Vol. 132/T-266311, Registry of Deeds of Manila is

ordered CANCELLED. However, the cancellation is not a determination of the veracity and substance of the adverse claim and is not a final determination on the issue of ownership and possession.^[17] (Emphasis supplied)

Petitioner and Tarcila filed a motion for reconsideration^[18] but the same was denied in a Resolution^[19] dated July 31, 2014. Aggrieved, petitioner and Tarcila appealed to the CA raising the lone assignment of error:

THE COURT A *QUO* COMMITTED A GRAVE AND REVERSIBLE ERROR IN ORDERING THE CANCELLATION OF THE ADVERSE CLAIM CAUSED TO BE ANNOTATED BY THE LATE CONCHITA FRANCIA SIMPLY BECAUSE A NOTICE OF LIS PENDENS WAS SUBSEQUENTLY CA USED TO BE ANNOTATED BY OPPOSITORS APPELLANTS ON *TRANSFER CERTIFICATE OF TITLE NO. 266311*^[20]

Ruling of the CA

On December 14, 2015, the CA rendered a decision^[21] dismissing petitioner's appeal for lack of merit. The CA held that the issue on cancellation of adverse claim is a question of law since its resolution would not involve an examination of the evidence but only an application of the law on a particular set of facts. Having raised a sole question of law, the petition was dismissed by the CA pursuant to Section 2, Rule 50 of the Rules of Court.^[22] Nonetheless, the CA found no error in RTC's cancellation of the adverse claim, to *wit*:

In any case, oppositors-appellants' appeal before this Court has no merit. Oppositors-appellants insist that the RTC erred in ordering the cancellation of the notice of adverse claim annotated at the hack of TCT No. 266311, appearing as Entry No. 8957/Vol. 132.

We do not agree.

In *Villaflor vs. Juezan*, the Supreme Court pronoun(c)ed:

"The principal issue in this appeal is whether or not an adverse claim annotated in a transfer certificate of title may be cancelled when the validity or invalidity of the claim is still subject of inquiry in a civil case pending resolution by the trial court.

x x x x

On February 22, 1961 the appellant registered his affidavit of adverse claim in Transfer Certificate of Title No. T-1217 (formerly a part of Original Certificate of Title 806) under primary entry No. 26083 of the Register of Deeds of Davao. The affidavit conformed to the requirements of Section 110, Act 496.

On March 1, 1961, the herein appellant filed Civil Case 3496 seeking from the defendant therein the surrender of owner's

duplicate of Transfer Certificate of Title T-1217 in order that the deed of sale in favor of the herein appellant will be registered or annotated in the certificate of title.

In Civil Case No. 3496 the defendant's answer raised the issue of validity of the deed of sale in favor of the herein appellant. In fact, trial was had on this issue and the case until the present is pending decision in view of the death of Judge Abbas.

More than four (4) years after the appellant's adverse claim was annotated that is, on October 15, 1965 and while case No. 3496 is (sic) pending, the herein appellee presented for registration two (2) deeds of sale affecting the land subject of the action, the first dated March 21, 1963 conveying 8.6186 hectares and the second dated September 6, 1986 conveying the remaining 3.0219 hectares and as a consequence, Transfer Certificate of Title T-1217 was cancelled and in lieu thereof Transfer Certificate of Title T-7601 was issued to the appellee wherein the adverse claim annotated was carried on.

It is this adverse claim which the appellee seeks to be cancelled in this case.

x x x x

On August 21, 1968, petitioner-appellee filed a motion to dismiss appeal in the Court of Appeals on the ground that the issue involved has become moot and academic, because oppositor-appellant Jose Juezan filed a notice of *lis pendens* on the property covered by T.C.T. No. T-7601 and in connection with Civil Case No. 3496.

The basis of Civil Case No. 3496 is a deed of absolute sale dated July 7, 1956, allegedly executed by Simon Maghanay in favor of appellant Jose Juezan. This document is also the basis of the Affidavit of Adverse Claim ordered cancelled by the trial court. The purpose of said adverse claim is to protect the interest of the appellant pending this litigation.

Thus, considering that a notice of *lis pendens* had been annotated on T.C.T. No. T-7601 of petitioner-appellee, the Court finds no basis for maintaining the adverse claim.

This Court sees no reason for disturbing the questioned order of the trial court dated August 25, 1967 directing the cancellation of the oppositor-appellant's adverse claim at the back of transfer certificate of title No. T-7601. The notice of *lis pendens* filed by the oppositor-appellant affecting the same property in connection with Civil Case No. 3496 is sufficient.

Moreover, in the manifestation that was tiled by counsel for

appellant on February 8, 1990, it appears that the related case pending in the Court of Appeals docketed as CA-G.R. No. 43818-R was terminated thus affirming the decision of the trial court, and entry of judgment has been made per letter of transmittal dated November 5, 1975.

Consequently, the instant case has been rendered moot and academic.

WHEREFORE, the appeal is DISMISSED.

SO ORDERED.^[23]

Petitioner and Tarcila moved for reconsideration^[24] of the CA decision but the same was denied in a Resolution^[25] dated February 24, 2016.

Undaunted, petitioner alone brought the instant petition raising the following issues:

1. Whether the appeal filed before the CA involved a pure question of law;
2. Whether the ruling of the Honorable Court in *Villaflor vs. Juezan* is inapplicable to this case; and
3. Whether the adverse claim caused to be annotated by a person on a title may be cancelled merely because another person caused the annotation of a notice of *lis pendens* on the same title.^[26]

Simply stated, the core issue to be resolved in this case is whether the subsequent annotation of a notice of *lis pendens* on a certificate of title renders the case for cancellation of adverse claim on the same title moot and academic.

Ruling of the Court

The CA did not err in dismissing the appeal for raising a pure question of law

Petitioner questions the CA's finding that no question of fact was raised before it. She argues that questions of fact were involved in her appeal, such as whether or not the facts of the case are similar to the facts in *Villaflor vs. Juezan*^[27] so as to justify its application. Petitioner also mentioned that in the respondents' brief filed with the CA, the respondents called the attention of the CA to examine the peculiar facts surrounding the instant case and Civil Case No. 13130761. Respondents also questioned the legitimate interest of the petitioner over the subject property. Thus, petitioner posits that the CA should have resolved the appeal taking into consideration the evidence on record because the matters raised require the re-evaluation of the existence or relevance of surrounding circumstances.^[28]

We are not persuaded.