

## FIRST DIVISION

[ G.R. No. 184148, June 09, 2014 ]

**NORA B. CALALANG-PARULAN AND ELVIRA B. CALALANG,  
PETITIONERS, VS. ROSARIO CALALANG-GARCIA, LEONORA  
CALALANG-SABILE, AND CARLITO S. CALALANG, RESPONDENTS.**

### D E C I S I O N

**VILLARAMA, JR., J.:**

Before us is a petition for review on certiorari assailing the Decision<sup>[1]</sup> dated December 21, 2007 and Resolution<sup>[2]</sup> dated July 25, 2008 of the Thirteenth Division of the Court of Appeals (CA) in CA-G.R. CV No. 72531. The CA modified the Decision<sup>[3]</sup> dated July 10, 2001 of the Regional Trial Court (RTC), Branch 21, of Malolos, Bulacan, in Civil Case No. 370-M-91.

The facts, as culled from the records, follow:

In a Complaint<sup>[4]</sup> for Annulment of Sale and Reconveyance of Property filed with the RTC of Malolos, Bulacan on June 10, 1991, the respondents Rosario Calalang-Garcia, Leonora Calalang-Sabile, and Carlito S. Calalang asserted their ownership over a certain parcel of land against the petitioners Nora B. Calalang-Parulan and Elvira B. Calalang. The said lot with an area of 1,266 square meters and specifically identified as Lot 1132, Cad. 333, Bigaa Cadastre situated in Brgy. Buroi 2<sup>nd</sup>, Municipality of Balagtas, Province of Bulacan, was allegedly acquired by the respondents from their mother Encarnacion Silverio, through succession as the latter's compulsory heirs.

According to the respondents, their father, Pedro Calalang contracted two marriages during his lifetime. The first marriage was with their mother Encarnacion Silverio. During the subsistence of this marriage, their parents acquired the above-mentioned parcel of land from their maternal grandmother Francisca Silverio. Despite enjoying continuous possession of the land, however, their parents failed to register the same. On June 7, 1942, the first marriage was dissolved with the death of Encarnacion Silverio.

On November 6, 1967, Pedro Calalang entered into a second marriage with Elvira B. Calalang who then gave birth to Nora B. Calalang-Parulan and Rolando Calalang. According to the respondents, it was only during this time that Pedro Calalang filed an application for free patent over the parcel of land with the Bureau of Lands. Pedro Calalang committed fraud in such application by claiming sole and exclusive ownership over the land since 1935 and concealing the fact that he had three children with his first spouse. As a result, on September 22, 1974, the Register of Deeds of Bulacan issued Original Certificate of Title (OCT) No. P-2871<sup>[5]</sup> in favor of Pedro Calalang only.

On February 17, 1984, Pedro Calalang sold the said parcel of land to Nora B. Calalang-Parulan as evidenced by a Deed of Sale<sup>[6]</sup> executed by both Pedro Calalang and Elvira B. Calalang. Accordingly, the Register of Deeds of Bulacan cancelled OCT No. P-2871 and issued Transfer Certificate of Title (TCT) No. 283321 in the name of Nora B. Calalang-Parulan. On December 27, 1989,<sup>[7]</sup> Pedro Calalang died.

The respondents assailed the validity of TCT No. 283321 on two grounds. First, the respondents argued that the sale of the land was void because Pedro Calalang failed to obtain the consent of the respondents who were co-owners of the same. As compulsory heirs upon the death of Encarnacion Silverio, the respondents claimed that they acquired successional rights over the land. Thus, in alienating the land without their consent, Pedro Calalang allegedly deprived them of their *pro indiviso* share in the property. Second, the respondents claimed that the sale was absolutely simulated as Nora B. Calalang-Parulan did not have the capacity to pay for the consideration stated in the Deed of Sale.

In their Answer,<sup>[8]</sup> the petitioners argued that the parcel of land was acquired during the second marriage of Pedro Calalang with Elvira B. Calalang. They stressed that OCT No. P-2871 itself stated that it was issued in the name of "Pedro Calalang, married to Elvira Berba [Calalang]." Thus, the property belonged to the conjugal partnership of the spouses Pedro Calalang and Elvira B. Calalang. The petitioners likewise denied the allegation that the sale of the land was absolutely simulated as Nora B. Calalang-Parulan was gainfully employed in Spain at the time of the sale. Moreover, they alleged that the respondents did not have a valid cause of action against them and that their cause of action, if any, was already barred by laches, estoppel and prescription. By way of counterclaim, the petitioners also sought the payment to them of moral and exemplary damages plus costs of suit for the filing of the clearly unfounded suit.

On July 10, 2001, the trial court rendered decision in favor of the respondents. The dispositive portion of the RTC decision reads as follows:

WHEREFORE, judgment is hereby rendered in favor of the plaintiffs and against the defendants in the following manner:

1. Ordering the defendants to reconvey in favor of the plaintiffs, their rightful share to three-fourth (3/4) of one-half (1/2) or a total of 474.75 square meters at 158.25 square meters for each of the three plaintiffs, namely: Rosario, Leonora, and Juanito all surname[d] Calalang, of the real property covered by TCT No. 283321 of the Registry of Deeds of Bulacan corresponding to their shares in the conjugal estate of the late Encarnacion S. Calalang [sic];
2. Ordering defendants to pay plaintiffs the amount of P50,000.00 for moral damages; P50,000.00 for attorney's fees and another P50,000.00 for litigation expenses.
3. Dismissing the defendants' counterclaims.

With costs against the defendants.

SO ORDERED.<sup>[9]</sup>

The trial court declared that the parcel of land was jointly acquired by the spouses Pedro Calalang and Encarnacion Silverio from the parents of the latter. Thus, it was part of the conjugal property of the first marriage of Pedro Calalang. When this marriage was dissolved upon the death of Encarnacion Silverio on June 7, 1942, the corresponding shares to the disputed property were acquired by the heirs of the decedent according to the laws of succession. In particular, the trial court allocated half of the disputed property to Pedro Calalang as his share in the conjugal partnership and allocated the other half to the three respondents and Pedro Calalang to be divided equally among them. The trial court then ordered all of Pedro's share to be given to Nora B. Calalang-Parulan on account of the sale. The trial court also ruled that because the application for free patent filed by Pedro Calalang was attended by fraud and misrepresentation, Pedro Calalang should be considered as a trustee of an implied trust.

Aggrieved by the adverse ruling, the petitioners appealed the case to the CA which rendered the assailed Decision on December 21, 2007. The dispositive portion of the CA decision reads,

**WHEREFORE**, in light of the foregoing premises, the **Decision** dated **July 10, 2001** of the Regional Trial Court of Malolos, Bulacan is hereby **MODIFIED** to read as follows:

*"WHEREFORE, judgment is hereby rendered in favor of the plaintiffs, and against the defendants in the following manner:*

- 1. Ordering the defendants to reconvey in favor of the plaintiffs, their rightful share to the property owned by their common father Pedro Calalang, equivalent to **one-half** (1/2) portion of the whole area or **633 square meters** to be divided equally by the three plaintiffs, namely: Rosario, Leonora and Carlito, all surnamed Calalang, each getting an area of **211 square meters** of the property covered by TCT No. 2883321 of the Registry of Deeds of Bulacan corresponding to their shares in the property of their late father Pedro Calalang;*
- 2. Ordering defendants to pay plaintiffs the amount of P50,000.00 for moral damages; P50,000.00 for attorney's fees and another P50,000.00 for litigation expenses.*
- 3. Dismissing the defendants' counterclaims.*

*With costs against the defendants.*

SO ORDERED.

SO ORDERED.<sup>[10]</sup>

The CA reversed the factual findings of the trial court and held that Pedro Calalang was the sole and exclusive owner of the subject parcel of land. Firstly, it held that there was insufficient evidence to prove that the disputed property was indeed jointly acquired from the parents of Encarnacion Silverio during the first marriage. Secondly, the CA upheld the indefeasibility of OCT No. P-2871. It held that although the free patent was issued in the name of "Pedro Calalang, married to Elvira Berba [Calalang]" this phrase was merely descriptive of the civil status of Pedro Calalang at the time of the registration of the disputed property. Thus, contrary to the ruling of the trial court, upon the death of Encarnacion Silverio on June 7, 1942, the respondents did not acquire any successional rights to the parcel of land which was exclusively owned by Pedro Calalang. However, applying the rules of succession, Pedro's heirs namely, Rosario Calalang-Garcia, Leonora Calalang-Sabile, Carlito Calalang, Nora B. Calalang-Parulan, Elvira B. Calalang, and Rolando Calalang, succeeded Pedro to the land in equal shares upon his death. Thus, the CA ordered the petitioners to reconvey in favor of the respondents their rightful shares to the land. The CA ruled that the sale by Pedro Calalang to Nora B. Calalang-Parulan was fraudulent and fictitious as the vendee was in bad faith and the respondents were unlawfully deprived of their *pro indiviso* shares over the disputed property. As regards the issue of prescription, the CA ruled that the prescriptive period for reconveyance of fraudulently registered real property is ten years. Since the property was registered in the name of Nora in 1984 and the action for reconveyance was filed in 1991, the action has not yet prescribed.

On January 23, 2008, petitioners filed their Motion for Reconsideration. The CA, however, denied their motion in its Resolution dated July 25, 2008.

Hence, this petition raising the sole issue:

Whether or not the *court a quo* gravely erred in rendering its December 21, 2007 Decision modifying the July 10, 2001 Decision of the *trial court*, and in issuing its July 25, 2008 Resolution denying petitioners' Motion for Reconsideration dated January 23, 2008.<sup>[11]</sup>

Essentially, the only issue in this case is whether Pedro Calalang was the exclusive owner of the disputed property prior to its transfer to his daughter Nora B. Calalang-Parulan.

The petitioners argue that the disputed property belonged to the conjugal partnership of the second marriage of Pedro Calalang with Elvira B. Calalang as evidenced by OCT No. P-2871 which was issued to Pedro Calalang during the subsistence of his marriage to Elvira B. Calalang. On the other hand, the respondents claim that the disputed property was transferred by their maternal grandmother, Francisca Silverio, to their parents, Pedro Calalang and Encarnacion Silverio, during the latter's marriage. Thus, the respondents argue that it belonged to the conjugal partnership of the first marriage of Pedro Calalang with Encarnacion Silverio.

The petition is meritorious.

Preliminarily, we note that the resolution of the issue in this case requires a reevaluation of the probative value of the evidence presented by the parties in order