579 Phil. 669

SECOND DIVISION

[G.R. No. 163876, July 09, 2008]

ROSALINA CLADO-REYES, ALICIA REYES-POTENCIANO, ANTONIO C. REYES, BERNARDO C. REYES, JOVITO C. REYES, MARIA REYES-DIZON, BERNARDA REYES-LLANZA, DECEASED REPRESENTED BY BONG R. LLANZA AND REYNALDO C. REYES (DECEASED), REPRESENTED BY NINO R. REYES, PETITIONERS, VS. SPOUSES JULIUS AND LILY LIMPE, RESPONDENTS.

DECISION

QUISUMBING, J.:

This petition for review seeks to set aside the Decision[1] dated February 20, 2004 and the Resolution[2] dated June 9, 2004, of the Court of Appeals in CA-G.R. CV No. 70170, which had affirmed the Decision[3] dated January 9, 2001 of the Regional Trial Court (RTC), Branch 81, of Malolos, Bulacan in Civil Case No. 61-M-95 for quieting of title, reconveyance and damages.

Subject of the present controversy is a 2,445-square meter portion of a certain lot in Guiguinto, Bulacan covered by Transfer Certificate of Title (TCT) No. RT-32498 (T-199627),[4] having a total lot area of 20,431 square meters, more or less.

On February 1, 1995,[5] petitioners filed an action to quiet title, reconveyance and damages against respondents and alleged that they have been occupying the disputed lot since 1945 through their predecessor-in-interest, Mamerto B. Reyes. They claimed that during his lifetime, Mamerto had accepted a verbal promise of the former lot owner, Felipe Garcia, to give the disputed lot to him in exchange for the surrender of his tenancy rights as a tiller thereof. To prove that Mamerto was a former tenant of Felipe; that during his lifetime he had worked on the lot; and that he owned and possessed the same,[6] petitioners presented two documents, namely: (1) Certification[7] dated October 12, 1979 and (2) "*Pagpapatunay*"[8] dated November 17, 1982 allegedly executed by Simeon I. Garcia, the eldest son of Felipe, attesting to such facts. Petitioners also alleged that whenever respondents visited the lot, respondent Julius Limpe would promise to deliver the certificate of title to them. However, sometime in October 1994, petitioners received a letter[9] from respondents asserting ownership over the disputed lot.

In their answer, respondents contended that they are the legal owners of the lot by virtue of a Deed of Exchange of Real Estate[10] and Deed of Absolute Sale[11] executed on July 5, 1974 and February 28, 1974, respectively, between them and Farm-Tech Industries, Incorporated. To further assert ownership over the lot, they presented TCT No. T-199627, Tax Declaration Nos. 15172[12] and 9529[13] and realty tax receipts[14] of the lot, which were all registered and declared in their

names.

In its Decision dated January 9, 2001, the trial court ruled in favor of respondents and held that the certificate of title, tax declarations and realty tax receipts presented in court indisputably established respondents' ownership over the lot. The certificate of title was registered in respondents' names and the realty tax receipts showed that respondents consistently paid the corresponding real property taxes. These pieces of evidence, said the trial court, prevail over petitioners' allegation of an "undocumented promise" by the former lot owner, which in itself, is ineffective or unenforceable under the law. Accordingly, the trial court ordered petitioners to reconvey the disputed lot to respondents.

On February 20, 2004, the Court of Appeals affirmed the trial court's ruling and held that petitioners have no title whatsoever upon which respondents' title could cast a cloud, as they were the ones casting doubt on respondents' title.[15] It held that the documents allegedly executed by Simeon I. Garcia showed no *indicia* that the alleged owner, Felipe Garcia, donated the disputed lot to them. It further held that Simeon I. Garcia was not the real owner of the lot; thus, he could not make an effective conveyance thereof. Consequently, it upheld respondents' title over the disputed lot. The decretal portion of the decision reads,

> WHEREFORE, the appeal is hereby DISMISSED. The decision of the Regional Trial Court of Malolos, Bulacan, Branch 81, dated January 9, 2001 is AFFIRMED.
>
> **SO ORDERED**.[16]

Petitioners now before this Court raise the sole issue of:

> WHETHER THE [PETITIONERS] HAVE A CAUSE OF ACTION TO QUIET TITLE, RECONVEYANCE AND DAMAGES AGAINST RESPONDENTS.[17]

Petitioners cite Section 4[18] of Article XIII of the 1987 Constitution and Section 2[19] of the Comprehensive Agrarian Reform Law and state that their title was founded upon those provisions, which were enacted for the benefit of farmers, majority of whom are educationally deficient, if not uneducated. Next, they contend that respondents are not purchasers in good faith because they were fully aware of petitioners' actual possession of the lot when they purchased the same. Conformably, according to petitioners, respondents are liable for damages under Article 19[20] of the Civil Code of the Philippines.

Respondents counter that they are the true and lawful owners of the disputed lot as evidenced by TCT No. RT-32498 (T-199627), Tax Declaration Nos. 15172 and 9529 and realty tax receipts, all registered and declared in their names. They claim that they are buyers in good faith when they purchased the lot from Farm-Tech Industries, Incorporated, free from all liens and encumbrances. They aver that they are not obliged to go beyond the face of a TCT in the absence of any cloud therein.

Respondents also argue that petitioners' cause of action must fail because they failed to prove (1) that their predecessor-in-interest, Mamerto B. Reyes, was a farmer; (2) that the lot was agricultural and not a commercial lot; and (3) that they are qualified beneficiaries under the agrarian reform law. They point out that

Simeon I. Garcia, who allegedly executed the Certification and "*Pagpapatunay*," was not presented in court to prove the veracity of the contents of those two documents. They also aver that the property mentioned in the document "*Pagpapatunay*" was not specifically described as the property litigated herein. Thus, according to respondents, those documents have no binding effect on third persons, are hearsay, and have no probative value.

After considering the submissions of the parties and the issue before us, we are in agreement that the petition lacks merit.

To begin with, an action for quieting of title originated in equity jurisprudence to secure an adjudication that a claim of title to or an interest in property, adverse to that of the complainant, is invalid, so that the complainant and those claiming under him may be forever free from any danger of hostile claim. Thus, our courts are tasked to determine the respective rights of the contending parties, not only to put things in their proper places, but also to benefit both parties, so that he who has the right would see every cloud of doubt over the property dissipated, and he could afterwards without fear introduce the improvements he may desire, to use and even to abuse the property as he may deem best.[21]

Under Articles 476[22] and 477[23] of the New Civil Code, there are two indispensable requisites in order that an action to quiet title could prosper: (1) that the plaintiff or complainant has a legal or an equitable title to or interest in the real property subject of the action; and (2) that the deed, claim, encumbrance or proceeding claimed to be casting cloud on his title must be shown to be in fact invalid or inoperative despite its *prima facie* appearance of validity or legal efficacy. [24]

To prove their case, petitioners merely cited Section 4 of Article XIII of the 1987 Constitution and Section 2 of the Comprehensive Agrarian Reform Law and stated that their title was founded upon those provisions. They hardly argued on the matter. Neither was there positive evidence (1) that their predecessor had legal title, *i.e.,* a certificate of land transfer;[25] (2) that the lot was an agricultural lot and not a commercial one as contended by respondents; and (3) that they are qualified beneficiaries under the Agrarian Reform Law. Time and again we have held that a mere allegation is not evidence, and he who alleges has the burden of proving the allegation with the requisite quantum of evidence.[26]

Next, the documentary evidence petitioners presented, namely, the "Certification" and "*Pagpapatunay*," did not confirm their title over the disputed lot. First, original copies of those documents were not presented in court.[27] Second, as the appellate court pointed out, Simeon I. Garcia, the declarant in those documents, was not presented in court to prove the veracity of their contents.[28] Third, even a cursory examination of those documents would not show any transfer or intent to transfer title or ownership of the disputed lot from the alleged owner, Felipe Garcia, to petitioners or their predecessor-in-interest, Mamerto B. Reyes. Fourth, petitioners did not bother to adduce evidence that Simeon I. Garcia, as the eldest son of the late Felipe Garcia, inherited the entire lot as to effectively convey title or ownership over the disputed lot, *i.e.* thru extrajudicial settlement of the estate of the late Felipe Garcia. Accordingly, we agree that the documents allegedly executed by Simeon I. Garcia are purely hearsay and have no probative value.

In contrast, respondents presented evidence which clearly preponderates in their favor. First, the transfer certificate of title, tax declarations and realty tax receipts were all in their names. Second, pursuant to the Torrens System, TCT No. RT-32498 (T-199627) enjoys the conclusive presumption of validity and is the best proof of ownership of the lot.[29] Third, although tax declarations or realty tax receipts are not conclusive evidence of ownership, nevertheless, they are good *indicia* of possession in the concept of an owner, for no one in his right mind would be paying taxes for a property that is not in his actual or at least constructive possession. As we previously held, such realty tax payments constitute proof that the holder has a claim of title over the property.[30]

Worth stressing, in civil cases, the plaintiff must establish his cause of action by preponderance of evidence; otherwise, his suit will not prosper.[31] After carefully considering the arguments of the parties, as well as their respective evidence, we unanimously agree that the petitioners were not able to prove that they have any legal or equitable title over the disputed lot. Thus, we find no reversible error in the assailed decisions of the courts below.

WHEREFORE, the instant petition is **DENIED** for utter lack of merit. The Decision dated February 20, 2004 and the Resolution dated June 9, 2004, of the Court of Appeals in CA-G.R. CV No. 70170 are **AFFIRMED**. Costs against petitioners.

SO ORDERED.

Carpio, Carpio-Morales, Tinga, and *Velasco, Jr., JJ.*, concur.

---

* Additional member in place of Associate Justice Arturo D. Brion who took no part due to prior action in the Court of Appeals.

[1] *Rollo,* pp. 17-23. Penned by Associate Justice Eloy R. Bello, Jr., with Associate Justices Amelita G. Tolentino and Arturo D. Brion (now a member of this Court) concurring.

[2] Id. at 29.

[3] Records, Vol. 1, pp. 621-624. Penned by Acting Presiding Judge Oscar P. Barrientos.

[4] Id. at 7.

[5] Id. at 2-6.

[6] Id. at 326-327.

[7] Id. at 338.

C E R T I F I C A T I O N