

## THIRD DIVISION

[ G.R. No. 190158, July 20, 2016 ]

**HEIRS OF LIBERATO CASTILLEJOS AND RURAL BANK OF AGOO,  
LA UNION, PETITIONERS, VS. LA TONDEÑA INCORPORADA,  
RESPONDENT.**

### RESOLUTION

**REYES, J.:**

This is a petition for review on *certiorari*<sup>[1]</sup> under Rule 45 of the Rules of Court assailing the Decision<sup>[2]</sup> dated May 29, 2009 of the Court of Appeals (CA) in CA-G.R. CV No. 90598 which affirmed the Decision<sup>[3]</sup> dated September 12, 2007 of the Regional Trial Court (RTC) of Bauang, La Union, Branch 33 in Civil Case No. 1108-BG, granting La Tondena Incorporada's (respondent) complaint for quieting of title, declaration of nullity and/or nullification of tax declaration and damages.

#### The Antecedents

On September 16, 1997, the respondent filed a Complaint<sup>[4]</sup> for Quieting of Title, Declaration of Nullity and/or Nullification of Tax Declarations and Damages against Liberato Castillejos (Liberato) who perished pending trial and was thus substituted by his heirs, herein petitioners.

In its complaint, the respondent averred that it is the absolute owner of two parcels of land, with an area of 1,944 square meters, more or less, and 184,354 sq m, more or less, respectively, located at Barangay Bagbag (now Casilagan), Bauang, La Union, covered by Tax Declaration (TD) Nos. 93-005-5221, 4634, 9730, 51100, 28834, and 18506 issued by the Provincial Assessor of La Union in 1994, 1985, 1980, 1974, 1959, and 1953, respectively.<sup>[5]</sup>

The respondent alleged that on May 29, 1991, Liberato, through stealth, misrepresentation and deliberate fraud, maliciously executed an affidavit of ownership over the subject properties and presented the same to the Provincial Assessor of La Union who, in turn, issued in his name TD Nos. 26682 and 26683 on May 31, 1991.<sup>[6]</sup>

Likewise, the respondent claimed that by itself and through its predecessors-in-interest, it has been in continuous, open, public and adverse possession of the subject real properties through time immemorial.<sup>[7]</sup>

Liberato, for his part, claimed that his land and the subject properties claimed by the respondent are different from one another because they have different boundaries. He alleged that his land was tilled by his father-in-law since 1940 before he took possession thereof in 1962. He planted the land with different crops and

trees and built a house thereon where he and his family have continuously resided.  
[8]

During trial, the parties endeavored to substantiate their respective claims of ownership. The evidence for the respondent showed that the subject property was originally covered by TD No. 7511<sup>[9]</sup> series of 1947 which was later on cancelled in 1953 by TD No. 18506.<sup>[10]</sup> In these two TDs, the stated owner was "Homestead (Unknown)" with Juan Dumuk (Juan) as the administrator.<sup>[11]</sup> In 1959, TD No. 28834<sup>[12]</sup> was issued in the respondent's name. From then on, the TDs on the subject property reflected its name as owner, the latest of which having been issued in 1994.<sup>[13]</sup> On June 6, 1959, Juan executed an affidavit acknowledging his appointment as the respondent's administrator.<sup>[14]</sup> On March 23, 1994, he was replaced by his son Victor Dumuk (Victor).<sup>[15]</sup>

Victor was in charge of updating the payment of realty taxes on the respondent's land, preventing or evicting illegal occupants and collecting monthly rentals from registered occupants. Sometime thereafter, Carlos Supsup and Warlito Suniega (Warlito), the land's registered occupants, reported to Victor that Liberato was claiming ownership of a portion of the land they were tilling and that he ordered them to vacate the same. Victor later on discovered that there were two TDs issued in Liberato's name. He, thus, brought the matter to the attention of the respondent's officials.<sup>[16]</sup>

Liberato, for his part, presented an affidavit of ownership and TD Nos. 26682<sup>[17]</sup> and 26683<sup>[18]</sup> over Lots 20096 and 20097, respectively. He also declared that in 1986, he allowed his nephew Warlito to plant palay in a portion of his land.<sup>[19]</sup>

Engineer Gerry Boado, the technical supervisor of the Survey Records Section, Regional Survey Division of the Department of Environment and Natural Resources (DENR), testified that based on the cadastral record of Bauang, La Union, Liberato was the only claimant of Lots 20096 and 20097 covered by TD Nos. 26682 and 26683.<sup>[20]</sup>

### **Ruling of the RTC**

In the Decision<sup>[21]</sup> dated September 12, 2007, the RTC granted the complaint for the reason that the respondent had older documents proving ownership. The respondent's oldest TD was issued way back in 1948 while Liberato's TDs were dated 1982.<sup>[22]</sup> In Liberato's affidavit of ownership, there was no mention as to how he acquired the land.<sup>[23]</sup> The RTC did not give weight to the cadastral record that Liberato is the only claimant of Lots 20096 and 20097 because he did not notify the respondent when the survey was conducted.<sup>[24]</sup> Finally, the RTC rejected the petitioners' argument that the respondent, being a corporation, is prohibited by the 1987 Constitution from acquiring real estate and instead ruled that the respondent already had vested right to acquire the land prior to the enactment of the constitutional prohibition.<sup>[25]</sup> The RTC awarded attorney's fees in favor of the respondent for the reason that the case had been pending for several years.<sup>[26]</sup> Thus, the RTC disposed as follows:

**WHEREFORE**, premises considered, this Court rules in favor of [the respondent] and against [Liberato], and declares:

1. The [respondent] as the true and absolute owner of the properties covered by [TD] No. 93-005-5221;
2. [TD] No. 93-005-5221 and all [TDs] in the name of [the respondent] issued prior to it valid;
3. [TD] Nos. 26682 and 26683 in [Liberato's] name void; and,
4. The [petitioners] to pay [the respondent] attorney's fees amounting to Twenty Thousand Pesos (Php20,000.00) and to pay the cost of suit.

**SO ORDERED.**<sup>[27]</sup>

### **Ruling of the CA**

The CA, in its Decision<sup>[28]</sup> dated May 29, 2009, affirmed the RTC decision stressing that the oldest TD in favor of the respondent is sufficient proof that it owns the land. Although TDs are not conclusive proof of ownership, they are nonetheless, good indication of possession in concept of owner. The respondent also exercised acts of ownership and possession over the land through its administrators.<sup>[29]</sup> The CA further held that there is no conclusive proof that the lands claimed by the parties are actually separate and distinct. Accordingly, the CA held, thus:

**WHEREFORE**, the instant appeal is hereby **DISMISSED** and the Decision of the [RTC] of Bauang, La Union, Branch 33, in Civil Case No. 1108-BG, **AFFIRMED**.

**SO ORDERED.**<sup>[30]</sup>

The petitioners moved for reconsideration<sup>[31]</sup> but it was denied in the CA Resolution<sup>[32]</sup> dated November 4, 2009. Hence, the present recourse.

### **Ruling of the Court**

The petition is partly meritorious.

It is immediately noticeable that the petition suffers a procedural infirmity since its resolution involves factual questions that require for their determination and evaluation of the evidentiary record. Settled is the rule that the Court is not a trier of facts and it is bound by the factual findings of the CA; hence, a petition for review should be confined to questions of law. The rule, however, permits exceptions, two of which obtain in the present case - (a) when the judgment of the CA is based on a misapprehension of facts or (b) when its findings are not sustained by the evidence on record.<sup>[33]</sup>

"An action to quiet title to property or to remove a cloud thereon is a remedy or form of proceeding originating in equity jurisprudence. The plaintiff in such an action seeks for adjudication that any adverse claim of title or interest in the property in