

SECOND DIVISION

[G.R. No. 203397, December 09, 2015]

AUGUSTO ONG TRINIDAD II, AUGUSTO ONG TRINIDAD III FOR HIMSELF AND REPRESENTING LEVY ONG TRINIDAD AND ROHMEL ONG TRINIDAD, MARY ANN NEPOMUCENO TRINIDAD FOR HERSELF AND ASSISTING HER MINOR CHILDREN JOAQUIN GERARD N. TRINIDAD IV, JACOB GABRIEL N. TRINIDAD, AND JERED GYAN N. TRINIDAD PETITIONERS, VS. SPOUSES BONIFACIO PALAD AND FELICIDAD KAUSAPIN, RESPONDENTS.

D E C I S I O N

DEL CASTILLO, J.:

This Petition for Review on *Certiorari*^[1] seeks to set aside the March 27, 2012 Decision^[2] and August 24, 2012 Resolution^[3] of the Court of Appeals (CA) in CA-G.R. CV No. 92118 which granted respondents' appeal and reversed the July 4, 2008 Decision^[4] of the Regional Trial Court (RTC) of Lucena City, Branch 53 (RTC) in Civil Case No. 92-71.

Factual Antecedents

On July 23, 1985, respondents - spouses Bonifacio Palad and Felicidad Kausapin (Felicidad) - bought from Renato Ramos (Ramos) an eight-hectare parcel of land located within Lucena City, which was later registered as Transfer Certificate of Title No. (TCT) T-47318.^[5]

Respondents later caused the subject property to be surveyed, and it was discovered that a two-hectare portion thereof (the subject property) was occupied by Augusto Trinidad (Augusto), who converted the same into a fishpond.

On May 29, 1992, respondents filed with the RTC of Lucena City a Complaint^[6] for recovery of possession with damages against Augusto, which was docketed as Civil Case No. 92-71 and assigned to RTC Branch 53.

In his Answer,^[7] Augusto claimed that respondents were not the owners of the subject property; that Felicidad secured her title through dubious means; that the subject property formed part of a five-hectare piece of property that was given to him by his father, Atty. Joaquin Trinidad (Atty. Trinidad); that this five-hectare property was acquired by his father from Genaro Kausapin (Genaro), who was his father's client; that said five-hectare property was declared for taxation purposes by his father; that since 1980, he (Augusto) has been in possession of the five-hectare property; that he filed criminal cases for falsification against Felicidad; and that Felicidad was motivated by greed and bad faith in filing the case. Augusto thus prayed that the complaint be dismissed; that Felicidad's TCT T-47318 be nullified;

and that damages and attorney's fees be awarded to him.

During the proceedings, Augusto passed away and was substituted by his widow - herein petitioner Levy Ong Trinidad - and children - petitioners Augusto Ong Trinidad II, Augusto Ong Trinidad in, Rohmel Ong Trinidad, and Joaquin Ong Trinidad III.

Ruling of the Regional Trial Court

After trial, or on July 4, 2008, the RTC rendered its Decision,^[8] pronouncing as follows:

This is a complaint for recovery of possession with damages filed by the spouses Bonifacio Palad and Felicidad Kausapin against Augusto Trinidad as the original defendant. In the course of the trial Augusto C. Trinidad died and his widow, Levy Ong Trinidad, and their children Rohmel Ong Trinidad, Augusto Ong Trinidad II, Augusto Ong Trinidad III and Joaquin Trinidad III were substituted as defendants.

x x x x

The land subject of this case is a 2-hectare portion of the eight (8) hectares covered by Transfer Certificate of Title No. T-47318 now registered in the names of the spouses Bonifacio Palad and Felicidad Kausapin (Exhibit "A").

In their complaint, the plaintiffs merely emphasized the fact that as the registered owners of the parcel of land with an area of eight (8) hectares including the 2-hectare area in dispute, they are entitled to the possession of the disputed area which, despite their demands to the defendants to vacate, the defendants have not vacated the area consisting of a well-developed fishpond.

x x x x

For their part, the defendants posit as follows: During the lifetime of Genaro Kausapin, the father of complainant Felicidad Kausapin, Genaro Kausapin availed of the legal services of Atty. Joaquin Trinidad in a land dispute involving a 12-hectare property. For Atty. Trinidad's services, Genaro Kausapin and Atty. Trinidad executed on October 4, 1977 a document denominated Kasulatan ng Pagbabahagi whereby they partitioned between themselves the 12-hectare property composed of Lot 13-A, Lot 13-B and Lot 13-C of the Subdivision Plan, (LRC) PSD-254630 confirmed on December 19, 1976 by the Land Registration Commission. As his share in the partition Atty. Trinidad was given Lot 13-A (Exhibit "2").

In 1980 Atty. Trinidad gave to his son August© Trinidad the five (5) hectares given to him by Genaro Kausapin as attorney's fee. Augusto Trinidad developed a 2-hectare portion of the five hectares into a fishpond spending huge amount of money in the process.

x x x x

By whichever mode the plaintiffs had come to title the 8-hectare property including the 2-hectare portion in dispute, the Court, sifting through the evidence presented by the parties, finds:

1. By virtue of the Kasulatan ng Pagbabahagi dated October 4, 1977 Genaro Kausapin and Atty. Joaquin Trinidad partitioned between themselves the 12-hectare property composed of Lot 13-A, Lot 13-B and Lot 13-C of the Subdivision Plan (LRC) PSD-254630, Atty. Joaquin Trinidad getting Lot 13-A as his attorney's fee for legal services he rendered to Genaro Kausapin.
2. Atty. Joaquin Trinidad gave to his son Augusto Trinidad his 5-hectare share and Augusto Trinidad, beginning the year 1980, developed a portion of the area into a fishpond spending a huge amount of money in the process.
3. On July 23, 1985 the plaintiffs bought an 8-hectare property from Renato Ramos and they had the land titled in their names on September 11, 1985.
4. It was when the plaintiffs had the land they bought from Renato Ramos surveyed that they found out that the fishpond developed by Augusto Trinidad was embraced in the area of the [land] Renato Ramos sold to them.
5. Renato Ramos did not know that the area developed by Augusto Trinidad into a fishpond was part of the land he (Ramos) sold to the plaintiffs. Otherwise, if Renato Ramos knew this, he would not have allowed Augusto Trinidad to occupy and transform the area into a fishpond and, much more, for him (Renato Ramos) to have sold the entire property to the plaintiffs for the measly sum of P8,000.00, given the size of the area and the improvements on the area in dispute. Likewise, it was only after the plaintiffs had caused the survey of the area they bought that they came to know that the 2-hectare [property] developed by Augusto Trinidad into a fishpond was within the area they bought.

From the foregoing, it is clear that when Augusto Trinidad entered the property in dispute in 1980 and began to transform it into a fishpond, this was with the knowledge and consent of Genaro Kausapin, the father of the plaintiff. That what Augusto Trinidad occupied was Lot 13-C when it should have been Lot 13-A becomes immaterial when it is considered that while the lots were then designated as Lot 13-A, Lot 13-B and Lot 13-C, obviously Genaro Kausapin and Atty. Joaquin Trinidad and Augusto Trinidad were not fully aware of the exact metes and bounds of each lot. This was also the case when, before the area bought by the plaintiffs was surveyed, the vendor Renato Ramos and the plaintiffs as vendees did not know that the area developed by Augusto Trinidad as a fishpond was within the area sold to the plaintiffs.

Given that the possession by the defendants of the area in question

antedates by five years the claim of the plaintiffs to the disputed property, and given that the parties who should have questioned the entry of the defendants into the property, namely, Genaro Kausapin or Renato Ramos, did not do so, and considering the valuable improvements made by the defendants in the area in dispute, the defendants have a better right to possess the disputed area, even as the area had been included in [the] title issued to the plaintiffs.

WHEREFORE, the complaint is ordered dismissed.

Defendants' counterclaim is likewise ordered dismissed.

SO ORDERED.^[9]

Riding of the Court of Appeals

Respondents filed an appeal before the CA, docketed as CA-G.R. CV No. 92118, arguing that as registered owners of the subject two-hectare property, they have a better right thereto; that petitioners' claim that the subject property was part of a 12-hectare piece of property owned by respondent Felicidad's father Genaro, five hectares of which was allegedly awarded by Genaro to petitioners' father Atty. Trinidad as the latter's attorney's fees in a case, has no basis, as there is no evidence on record to show that Genaro even owned a parcel of land; that in truth, Genaro was a mere tenant of the original owners of the 12-hectare property - Juliana Navarro (Navarro), Pedro Loyola, and Ramos; that eventually, Ramos sold an eight-hectare portion of the property to respondents, which is now the property covered by TCT T-47318 and claimed by petitioners to the extent of two hectares; that apart from a document denominated as "*Kasulatan ng Pagbabahagi*" supposedly executed by Genaro and Atty. Trinidad on October 4, 1977, petitioners have not presented any title or any other documentary proof, such as receipts showing payment of real property taxes, to prove their alleged ownership of the subject property; that respondents cannot be bound by the supposed agreement between Genaro and Atty. Trinidad because it is void since, being a mere tenant of the property, Genaro cannot award the same to Atty. Trinidad; that Genaro's status as a mere tenant is known to Atty. Trinidad, since the latter was Genaro's counsel in a claim involving the subject property docketed as CAR Case No. 585 (62), which was eventually terminated by Genaro's execution in 1963 of a "*Kasunduan*", wherein he acknowledged before Ramos and Atty. Trinidad that he was a mere tenant of the Ramos family; that Augusto was a policeman during his lifetime, and he took over the disputed property by force, and respondents - fearing violence and bloodshed - opted to resort to court action instead; and that under the Civil Code,^[10] they are protected as the registered owners, and petitioners should be considered intruders and builders in bad faith.

During the pendency of the appeal, Joaquin Ong Trinidad HI died and was substituted by his widow and children - herein petitioners Mary Ann Nepomuceno Trinidad, Joaquin Gerard N. Trinidad IV, Jacob Gabriel N. Trinidad and Jered Gyan N. Trinidad.

On March 27, 2012, the CA rendered the assailed judgment, declaring as follows:

In this appeal, Spouses Palad assert their Transfer Certificate of Title No. T-47318 which undoubtedly covers appellees' two-hectare fishpond found within the former's eight-hectare lot. They argue that appellees' predecessors-in-interest, Genaro Kausapin and Atty. Joaquin Trinidad, were never owners of the eight-hectare lot, including the subject realty, as the property was owned by Renato Ramos who sold it to them.

On the other hand, appellees reiterate in their brief that their father possessed the fishpond long before Spouses Palad bought the eight-hectare lot. They also posit that a certificate of title by itself alone does not vest ownership in any person.

We grant the appeal.

Appellants are owners of the eight-hectare lot, including the two-hectare fishpond, by virtue of their Transfer Certificate of Title No. T-47318. *Spouses Esmaquel v. Coprada*, explains why:

On the other hand, it is undisputed that the subject property is covered by Transfer Certificate of Title No. T-93542, registered in the name of the petitioners. As against the respondent's unproven claim that she acquired a portion of the property from the petitioners by virtue of an oral sale, **the Torrens title of petitioners must prevail. Petitioners' title over the subject property is evidence of their ownership thereof. It is a fundamental principle in land registration that the certificate of title serves as evidence of an indefeasible and incontrovertible title to the property in favor of the person whose name appears therein. Moreover, the age-old rule is that the person who has a Torrens title over a land is entitled to possession thereof.**

As a rule, a certificate of title cannot be attacked collaterally. At any rate, in *Spouses Sarmiento et al. v. Court of Appeals et al.*, a counterclaim assailing a certificate of title is deemed a direct attack. x x x

x x x x

The burden of proof is on appellees to establish by clear and convincing evidence the ground or grounds for annulling a certificate of title, In *Lasquite et al. v. Victory Hills*:

The established legal principle **in actions for annulment or reconveyance of title is that a party seeking it should establish not merely by a preponderance of evidence but by clear and convincing evidence that the land sought to be reconveyed is his.** It is rather obvious from the foregoing disquisition that respondent failed to dispense such burden. Indeed, the records are replete with proof that respondent declared the lots comprising Lot No. 3050 for taxation purposes only after it had instituted the present case in court. This is not to say of course that tax receipts are