

THIRD DIVISION

[G.R. No. 178906, February 18, 2009]

**ELVIRA T. ARANGOTE, PETITIONER, VS. SPS. MARTIN
MAGLUNOB AND LOURDES S. MAGLUNOB, AND ROMEO SALIDO,
RESPONDENTS.**

D E C I S I O N

CHICO-NAZARIO, J.:

Before this Court is a Petition for Review on *Certiorari* under Rule 45 of the 1997 Revised Rules of Civil Procedure seeking to reverse and set aside the Decision^[1] dated 27 October 2006 and Resolution^[2] dated 29 June 2007 of the Court of Appeals in CA-G.R. SP No. 64970. In its assailed Decision, the appellate court affirmed the Decision^[3] dated 12 September 2000 of the Regional Trial Court (RTC), 6th Judicial Region, Branch 1, Kalibo, Aklan, in Civil Case No. 5511, which reversed the Decision^[4] dated 6 April 1998 of the 7th Municipal Circuit Trial Court (MCTC) of Ibajay-Nabas, Ibajay, Aklan, in Civil Case No. 156; and declared^[5] the herein respondent-Spouses Martin and Lourdes Maglunob (Spouses Maglunob) and respondent Romeo Salido (Romeo) as the lawful owners and possessors of Lot 12897 with an area of 982 square meters, more or less, located in Maloco, Ibajay, Aklan (subject property). In its assailed Resolution, the appellate court denied herein petitioner Elvira T. Arangote's Motion for Reconsideration.

Elvira T. Arangote, herein petitioner married to Ray Mars E. Arangote, is the registered owner of the subject property, as evidenced by Original Certificate of Title (OCT) No. CLOA-1748.^[6] Respondents Martin (Martin II) and Romeo are first cousins and the grandnephews of Esperanza Maglunob-Dailisan (Esperanza), from whom petitioner acquired the subject property.

The Petition stems from a Complaint^[7] filed by petitioner and her husband against the respondents for Quieting of Title, Declaration of Ownership and Possession, Damages with Preliminary Injunction, and Issuance of Temporary Restraining Order before the MCTC, docketed as Civil Case No. 156.

The Complaint alleged that Esperanza inherited the subject property from her uncle Victorino Sorrosa by virtue of a notarized Partition Agreement^[8] dated 29 April 1985, executed by the latter's heirs. Thereafter, Esperanza declared the subject property in her name for real property tax purposes, as evidenced by Tax Declaration No. 16218 (1985).^[9]

The Complaint further stated that on 24 June 1985, Esperanza executed a Last Will and Testament^[10] bequeathing the subject property to petitioner and her husband, but it was never probated. On 9 June 1986, Esperanza executed another document,

an Affidavit,^[11] in which she renounced, relinquished, waived and quitclaimed all her rights, share, interest and participation whatsoever in the subject property in favor of petitioner and her husband. On the basis thereof, Tax Declaration No. 16218 in the name of Esperanza was cancelled and Tax Declaration No. 16666^[12] (1987) was issued in the name of the petitioner and her husband.

In 1989, petitioner and her husband constructed a house on the subject property. On 26 March 1993, OCT No. CLOA-1748 was issued by the Secretary of the Department of Agrarian Reform (DAR) in the name of petitioner, married to Ray Mars E. Arangote. However, respondents, together with some hired persons, entered the subject property on 3 June 1994 and built a hollow block wall behind and in front of petitioner's house, which effectively blocked the entrance to its main door.

As a consequence thereof, petitioner and her husband were compelled to institute Civil Case No. 156.

In their Answer with Counterclaim in Civil Case No. 156, respondents averred that they co-owned the subject property with Esperanza. Esperanza and her siblings, Tomas and Inocencia, inherited the subject property, in equal shares, from their father Martin Maglunob (Martin I). When Tomas and Inocencia passed away, their shares passed on by inheritance to respondents Martin II and Romeo, respectively. Hence, the subject property was co-owned by Esperanza, respondent Martin II (together with his wife Lourdes), and respondent Romeo, each holding a one-third *pro-indiviso* share therein. Thus, Esperanza could not validly waive her rights and interest over the entire subject property in favor of the petitioner.

Respondents also asserted in their Counterclaim that petitioner and her husband, by means of fraud, undue influence and deceit were able to make Esperanza, who was already old and illiterate, affix her thumbmark to the Affidavit dated 9 June 1986, wherein she renounced all her rights and interest over the subject property in favor of petitioner and her husband. Respondents thus prayed that the OCT issued in petitioner's name be declared null and void insofar as their two-thirds shares are concerned.

After trial, the MCTC rendered its Decision dated 6 April 1998 in Civil Case No. 156, declaring petitioner and her husband as the true and lawful owners of the subject property. The decretal portion of the MCTC Decision reads:

WHEREFORE, judgment is hereby rendered:

- A. Declaring the [herein petitioner and her husband] the true, lawful and exclusive owners and entitled to the possession of the [subject property] described and referred to under paragraph 2 of the [C]omplaint and covered by Tax Declaration No. 16666 in the names of the [petitioner and her husband];
- B. Ordering the [herein respondents] and anyone hired by, acting or working for them, to cease and desist from asserting or claiming any right or interest in, or exercising any act of ownership or possession over the [subject property];

C. Ordering the [respondents] to pay the [petitioner and her husband] the amount of P10,000.00 as attorney's fee. With cost against the [respondents].^[13]

The respondents appealed the aforesaid MCTC Decision to the RTC. Their appeal was docketed as Civil Case No. 5511.

Respondents argued in their appeal that the MCTC erred in not dismissing the Complaint filed by the petitioner and her husband for failure to identify the subject property therein. Respondents further faulted the MCTC for not declaring Esperanza's Affidavit dated 9 June 1986 -- relinquishing all her rights and interest over the subject property in favor of petitioner and her husband -- as null and void insofar as respondents' two-thirds share in the subject property is concerned.

On 12 September 2000, the RTC rendered its Decision reversing the MCTC Decision dated 6 April 1998. The RTC adjudged respondents, as well as the other heirs of Martin Maglunob, as the lawful owners and possessors of the entire subject property. The RTC decreed:

WHEREFORE, judgment is hereby rendered as follows:

- 1) The appealed [D]ecision is REVERSED;
- 2) [Herein respondents] and the other heirs of Martin Maglunob are declared the lawful owners and possessors of the whole [subject property] as described in Paragraph 2 of the [C]omplaint, as against the [herein petitioner and her husband].
- 3) [Petitioner and her husband] are ordered to immediately turn over possession of the [subject property] to the [respondents] and the other heirs of Martin Maglunob; and
- 4) [Petitioner and her husband] are ordered to pay [respondents] attorney's fees of P5,000.00, other litigation expenses of P5,000.00, moral damages of P10,000.00 and exemplary damages of P5,000.00.^[14]

Petitioner and her husband filed before the RTC, on 26 September 2000, a Motion for New Trial or Reconsideration^[15] on the ground of newly discovered evidence consisting of a Deed of Acceptance^[16] dated 23 September 2000, and notice^[17] of the same, which were both made by the petitioner, for herself and in behalf of her husband,^[18] during the lifetime of Esperanza. In the RTC Order^[19] dated 2 May 2001, however, the RTC denied the aforesaid Motion for New Trial or Reconsideration.

The petitioner and her husband then filed a Petition for Review, under Rule 42 of the 1997 Revised Rules of Civil Procedure, before the Court of Appeals, where the Petition was docketed as CA-G.R. SP No. 64970.

In their Petition before the appellate court, petitioner and her husband raised the following errors committed by the RTC in its 12 September 2000 Decision:

- I. It erred in reversing the [D]ecision of the [MCTC];
- II. It erred in declaring the [herein respondents] and the other heirs of Martin Maglunob as the lawful owners and possessors of the whole [subject property];
- III. It erred in declaring [OCT] No. CLOA-1748 in the name of [herein petitioner] Elvie T. Arangote as null and void;
- IV. It erred in denying [petitioner and her husband's] [M]otion for [N]ew [T]rial or [R]econsideration dated [26 September 2000; and
- V. It erred in not declaring the [petitioner and her husband] as possessors in good faith.^[20]

On 27 October 2006, the Court of Appeals rendered a Decision denying the Petition for Review of petitioner and her husband and affirming the RTC Decision dated 12 September 2000. Petitioner and her husband's subsequent Motion for Reconsideration was similarly denied by the Court of Appeals in its Resolution dated 29 June 2007.

Hence, petitioner^[21] now comes before this Court raising in her Petition the following issues:

- I. Whether the [RTC] acted with grave abuse of discretion amounting to lack or excess of jurisdiction when it declared the [petitioner and her husband's title to the subject property] null and void;
- II. Whether the [RTC] acted with grave abuse of discretion amounting to lack of jurisdiction when it declared the Affidavit of Quitclaim null and void; and
- III. Whether the [RTC] and the Honorable Court of Appeals acted with grave abuse of discretion amounting to lack or excess of jurisdiction when it rejected petitioner's claim as possessors (sic) in good faith, hence, entitled to the rights provided in [Article] 448 and [Article] 546 of the Civil Code.^[22]

Petitioner contends that the aforesaid OCT No. CLOA-1748 was issued in her name on 26 March 1993 and was registered in the Registry of Deeds of Aklan on 20 April 1993. From 20 April 1993 until the institution of Civil Case No. 156 on 10 June 1994 before the MCTC, more than one year had already elapsed. Considering that a Torrens title can only be attacked within one year after the date of the issuance of the decree of registration on the ground of fraud and that such attack must be through a direct proceeding, it was an error on the part of the RTC and the Court of Appeals to declare OCT No. CLOA-1748 null and void.

Petitioner additionally posits that both the RTC and the Court of Appeals committed a mistake in declaring null and void the Affidavit dated 9 June 1986 executed by Esperanza, waiving all her rights and interest over the subject property in favor of petitioner and her husband. Esperanza's Affidavit is a valid and binding proof of the transfer of ownership of the subject property in petitioner's name, as it was also

coupled with actual delivery of possession of the subject property to petitioner and her husband. The Affidavit is also proof of good faith on the part of petitioner and her husband.

Finally, petitioner argues that, assuming for the sake of argument, that Esperanza's Affidavit is null and void, petitioner and her husband had no knowledge of any flaw in Esperanza's title when the latter relinquished her rights to and interest in the subject property in their favor. Hence, petitioner and her husband can be considered as possessors in good faith and entitled to the rights provided under Articles 448 and 546 of the Civil Code.

This present Petition is devoid of merit.

It is a hornbook doctrine that the findings of fact of the trial court are entitled to great weight on appeal and should not be disturbed except for strong and valid reasons, because the trial court is in a better position to examine the demeanor of the witnesses while testifying. It is not a function of this Court to analyze and weigh evidence by the parties all over again. This Court's jurisdiction is, in principle, limited to reviewing errors of law that might have been committed by the Court of Appeals.^[23] This rule, however, is subject to several exceptions,^[24] one of which is present in this case, *i.e.*, when the factual findings of the Court of Appeals and the trial court are contradictory.

In this case, the findings of fact of the MCTC as regards the origin of the subject property are in conflict with the findings of fact of both the RTC and the Court of Appeals. Hence, this Court will have to examine the records to determine first the true origin of the subject property and to settle whether the respondents have the right over the same for being co-heirs and co-owners, together with their grand aunt, Esperanza, before this Court can resolve the issues raised by the petitioner in her Petition.

After a careful scrutiny of the records, this Court affirms the findings of both the RTC and the Court of Appeals as regards the origin of the subject property and the fact that respondents, with their grand aunt Esperanza, were co-heirs and co-owners of the subject property.

The records disclosed that the subject property was part of a parcel of land^[25] situated in Maloco, Ibajay, Aklan, consisting of 7,176 square meters and commonly owned in equal shares by the siblings Pantaleon Maglunob (Pantaleon) and Placida Maglunob-Sorrosa (Placida). Upon the death of Pantaleon and Placida, their surviving and legal heirs executed a Deed of Extrajudicial Settlement and Partition of Estate in July 1981,^[26] however, the Deed was not notarized. Considering that Pantaleon died without issue, his one-half share in the parcel of land he co-owned with Placida passed on to his four siblings (or their respective heirs, if already deceased), namely: Placida, Luis, Martin I, and Victoria, in equal shares.

According to the aforementioned Deed of Extrajudicial Settlement and Partition of Estate, the surviving and legal heirs of Pantaleon and Placida agreed to have the parcel of land commonly owned by the siblings declared for real property tax purposes in the name of Victorino Sorrosa (Victorino), Placida's husband. Thus, Tax Declarations No. 5988 (1942),^[27] No. 6200 (1945)^[28] and No. 7233 (1953)^[29]