

THIRD DIVISION

[G.R. No. 158040, April 14, 2008]

SPOUSES ONESIFORO AND ROSARIO ALINAS, PETITIONERS, VS. SPOUSES VICTOR AND ELENA ALINAS, RESPONDENTS.

D E C I S I O N

AUSTRIA-MARTINEZ, J.:

This resolves the Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, praying that the Decision^[1] of the Court of Appeals (CA) dated September 25, 2002, and the CA Resolution^[2] dated March 31, 2003, denying petitioners' motion for reconsideration, be reversed and set aside.

The factual antecedents of the case are as follows.

Spouses Onesiforo and Rosario Alinas (petitioners) separated sometime in 1982, with Rosario moving to Pagadian City and Onesiforo moving to Manila. They left behind two lots identified as Lot 896-B-9-A with a bodega standing on it and Lot 896-B-9-B with petitioners' house. These two lots are the subject of the present petition.

Petitioner Onesiforo Alinas (Onesiforo) and respondent Victor Alinas (Victor) are brothers. Petitioners allege that they entrusted their properties to Victor and Elena Alinas (respondent spouses) with the agreement that any income from rentals of the properties should be remitted to the Social Security System (SSS) and to the Rural Bank of Oroquieta City (RBO), as such rentals were believed sufficient to pay off petitioners' loans with said institutions. Lot 896-B-9-A with the bodega was mortgaged as security for the loan obtained from the RBO, while Lot 896-B-9-B with the house was mortgaged to the SSS. Onesiforo alleges that he left blank papers with his signature on them to facilitate the administration of said properties.

Sometime in 1993, petitioners discovered that their two lots were already titled in the name of respondent spouses.

Records show that after Lot 896-B-9-A was extra-judicially foreclosed, Transfer Certificate of Title (TCT) No. T-11853^[3] covering said property was issued in the name of mortgagee RBO on November 13, 1987. On May 2, 1988, the duly authorized representative of RBO executed a Deed of Installment Sale of Bank's Acquired Assets^[4] conveying Lot 896-B-9-A to respondent spouses. RBO's TCT over Lot 896-B-9-A was then cancelled and on February 22, 1989, TCT No. T-12664^[5] covering said lot was issued in the name of respondent spouses.

Lot 896-B-9-B was also foreclosed by the SSS and on November 17, 1986, the Ex-Oficio City Sheriff of Ozamis City issued a Certificate of Sale^[6] over said property in

favor of the SSS. However, pursuant to a Special Power of Attorney^[7] signed by Onesiforo in favor of Victor, dated March 10, 1989, the latter was able to redeem, on the same date, Lot 896-B-9-B from the SSS for the sum of P111,110.09. On June 19, 1989, a Certificate of Redemption^[8] was issued by the SSS.

Onesiforo's signature also appears in an Absolute Deed of Sale^[9] likewise dated March 10, 1989, selling Lot 896-B-9-B to respondent spouses. The records also show a notarized document dated March 10, 1989 and captioned Agreement^[10] whereby petitioner Onesiforo acknowledged that his brother Victor used his own money to redeem Lot 896-B-9-B from the SSS and, thus, Victor became the owner of said lot. In the same Agreement, petitioner Onesiforo waived whatever rights, claims, and interests he or his heirs, successors and assigns have or may have over the subject property. On March 15, 1993, by virtue of said documents, TCT No. 17394^[11] covering Lot 896-B-9-B was issued in the name of respondent spouses.

On June 25, 1993, petitioners filed with the Regional Trial Court (RTC) of Ozamis City a complaint for recovery of possession and ownership of their conjugal properties with damages against respondent spouses.

After trial, the RTC rendered its Decision dated November 13, 1995, finding that:

1. Plaintiffs have not proven that they entrusted defendant spouses with the care and administration of their properties. It was Valeria Alinas, their mother, whom plaintiff Onesiforo requested/directed to "take care of everything and sell everything" and Teresita Nuñez, his elder sister, to whom he left a "verbal" authority to administer his properties.
2. Plaintiffs have not proven their allegation that defendant spouses agreed to pay rent of P1,500.00 a month for the occupancy of plaintiffs' house, which rent was to be remitted to the SSS and Rural Bank of Oroquieta to pay off plaintiffs' loan and to keep for plaintiffs the rest of the rent after the loans would have been paid in full.
3. Plaintiff Onesiforo's allegation that defendants concocted deeds of conveyances (Exh. "M", "N" & "O") with the use of his signatures in blank is not worthy of credence. Why his family would conspire to rob him at a time when life had struck him with a cruel blow in the form of a failed marriage that sent him plummeting to the depths of despair is not explained and likewise defies comprehension. That his signatures appear exactly on the spot where they ought to be in Exhs. "M", "N" & "O" belies his pretension that he affixed them on blank paper only for the purpose of facilitating his sister Terry's acts of administration.

This Court, therefore, does not find that defendant spouses had schemed to obtain title to plaintiffs' properties or enriched themselves at the expense of plaintiffs.^[12]

with the following dispositive portion:

WHEREFORE, this Court renders judgment:

1. declaring [respondents] Victor Jr. and Elena Alinas owners of Lot 896-B-9-A with the building (bodega) standing thereon and affirming the validity of their acquisition thereof from the Rural Bank of Oroquieta, Inc.;
2. declaring [petitioners] Onesiforo and Rosario Alinas owners of Lot 896-B-9-B with the house standing thereon, plaintiff Onesiforo's sale thereof to defendants spouses without the consent of his wife being null and void and defendant spouses' redemption thereof from the SSS not having conferred its ownership to them;
3. ordering [petitioners] to reimburse [respondents] Victor Jr. and Elena Alinas the redemption sum of P111,100.09, paid by them to the SSS (without interest as it shall be compensated with the rental value of the house they occupy) within sixty days from the finality of this judgment;
4. ordering [respondents] to vacate the subject house within thirty days from receiving the reimbursement mentioned in No. 3 above; and
5. reinstating TCT No. T-7248 in the name of [petitioners] and cancelling TCT No. T-17394 in the name of [respondents].

No costs.

SO ORDERED.^[13]

Only respondent spouses appealed to the CA assailing the RTC's ruling that they acquired Lot 896-B-9-B from the SSS by mere redemption and not by purchase. They likewise question the reimbursement by petitioners of the redemption price without interest.

On September 25, 2002, the CA promulgated herein assailed Decision, the dispositive portion of which reads:

WHEREFORE, in view of the foregoing disquisitions, the first paragraph of the dispositive portion of the assailed decision is AFFIRMED and the rest MODIFIED as follows:

1. declaring [respondents] Victor Jr. and Elena Alinas owners of Lot 896-B-9-A with the building (bodega) standing thereon and affirming the validity of their acquisition thereof from the Rural Bank of Oroquieta, Inc.;
2. declaring Onesiforo's sale of Lot 896-B-9-B together with the house standing thereon to [respondents] in so far as Rosario Alinas, his wife's share of one half thereof is concerned, of no force and effect;
3. ordering [petitioners] Rosario Alinas to reimburse [respondents] the redemption amount of P55,550.00 with interest of 12% per annum from the time of redemption until fully paid.

4. ordering the [respondents] to convey and transfer one half portion of Lot 896-B-9-B unto Rosario Alinas, which comprises her share on the property simultaneous to the tender of the above redemption price, both to be accomplished within sixty (60) days from finality of this judgment.
5. in the event of failure of [respondents] to execute the acts as specified above, [petitioner] Rosario Alinas may proceed against them under Section 10, Rule 39 of the 1997 Rules of Civil Procedure.
6. on the other hand, failure of [petitioner] Rosario Alinas to reimburse the redemption price within sixty (60) days from the finality of this decision will render the conveyance and sale of her share by her husband to [respondents], of full force and effect.

No costs.

SO ORDERED.^[14]

Petitioners moved for reconsideration but the CA denied said motion per herein assailed Resolution dated March 31, 2003.

Hence, the present petition on the following grounds:

The Honorable Court of Appeals abuse [sic] its discretion in disregarding the testimony of the Register of Deeds, Atty. Nerio Nuñez, who swore that the signatures appearing on various TCTs were not his own;

The Honorable Court of Appeals manifestly abuse [sic] its discretion in declaring the respondents to be the owners of Lot 896-B-9-A with the building (bodega) standing thereon when they merely redeemed the property and are therefore mere trustees of the real owners of the property;

It was pure speculation and conjecture and surmise for the Honorable Court of Appeals to impose an obligation to reimburse upon petitioners without ordering respondents to account for the rentals of the properties from the time they occupied the same up to the present time and thereafter credit one against the other whichever is higher.^[15]

The first issue raised by petitioners deserves scant consideration. By assailing the authenticity of the Registrar of Deeds' signature on the certificates of title, they are, in effect, questioning the validity of the certificates.

Section 48 of Presidential Decree No. 1529 provides, thus:

Sec. 48. *Certificate not subject to collateral attack.* - A certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law.

Pursuant to said provision, the Court ruled in *De Pedro v. Romasan Development Corporation*^[16] that:

It has been held that a certificate of title, once registered, should not thereafter be impugned, altered, changed, modified, enlarged or diminished except in a direct proceeding permitted by law. x x x

The **action of the petitioners** against the respondents, based on the material allegations of the complaint, **is one for recovery of possession of the subject property and damages.** However, **such action is not a direct, but a collateral attack** of TCT No. 236044.

[17] (Emphasis supplied)

As in *De Pedro*, the complaint filed by herein petitioners with the RTC is also one for recovery of possession and ownership. Verily, the present case is merely a collateral attack on TCT No. T-17394, which is not allowed by law and jurisprudence.

With regard to the second issue, petitioners' claim that it was the CA which declared respondent spouses owners of Lot 896-B-9-A (with bodega) is misleading. It was the RTC which ruled that respondent spouses are the owners of Lot 896-B-9-A and, therefore, since only the respondent spouses appealed to the CA, the issue of ownership over Lot 896-B-9-A is not raised before the appellate court. Necessarily, the CA merely reiterated in the dispositive portion of its decision the RTC's ruling on respondent spouses' ownership of Lot 896-B-9-A.

It is a basic principle that no modification of judgment or affirmative relief can be granted to a party who did not appeal.^[18] Hence, not having appealed from the RTC Decision, petitioners can no longer seek the reversal or modification of the trial court's ruling that respondent spouses had acquired ownership of Lot 896-B-9-A by virtue of the sale of the lot to them by RBO.

Furthermore, the CA did not commit any reversible error in affirming the trial court's factual findings as the records are indeed bereft of proof to support the petitioners' allegations that they left the care and administration of their properties to respondent spouses; and that there is an agreement between petitioners and respondent spouses regarding remittance to the SSS and the RBO of rental income from their properties. Thus, respondent spouses may not be held responsible for the non-payment of the loan with RBO and the eventual foreclosure of petitioners' Lot 896-B-9-A.

Petitioners do not assail the validity of the foreclosure of said lot but argues that respondent spouses merely redeemed the property from RBO. This is, however, belied by evidence on record which shows that ownership over the lot had duly passed on to the RBO, as shown by TCT No. T-11853 registered in its name; and subsequently, RBO sold the lot with its improvements to respondent spouses. Needless to stress, the sale was made after the redemption period had lapsed. The trial court, therefore, correctly held that respondent spouses acquired their title over the lot from RBO and definitely not from petitioners.

However, with regard to Lot 896-B-9-B (with house), the Court finds it patently erroneous for the CA to have applied the principle of equity in sustaining the validity of the sale of Onesiforo's one-half share in the subject property to respondent spouses.

Although petitioners were married before the enactment of the Family Code on