

## SECOND DIVISION

[ G.R. NO. 157536, May 16, 2005 ]

**MELCHOR CARO, PETITIONER, VS. SUSANA SUCALDITO,  
RESPONDENT.**

### DECISION

**CALLEJO, SR., J.:**

This is a petition for review on *certiorari* under Rule 45 of the Rules of Court, assailing the Decision<sup>[1]</sup> of the Court of Appeals (CA) in CA-G.R. CV No. 45503, affirming the dismissal of Civil Case No. 15529 by the Regional Trial Court (RTC) of Iloilo City, Branch 39, as well as the resolution denying the motion for reconsideration thereof.

The antecedent facts are as follows:

Gregorio Caro bought a parcel of land known as Assessor's Lot No. 160 from Ruperto Gepilano as evidenced by a Deed of Sale<sup>[2]</sup> dated October 21, 1953. The said lot was situated in *Sitio* Bangyan, *Barrio* Calaya, Municipality of Nueva Valencia, Iloilo City, consisting more or less of 17.9849 hectares. Thereafter, Gregorio Caro sold a portion of the said lot to his son Melchor Caro, consisting of 70,124 square meters, and now identified as Lot No. 4512 of the Cadastral survey of Nueva Valencia, Pls-775. Father and son executed a Deed of Definite Sale<sup>[3]</sup> dated January 31, 1973 covering Lot No. 4512.

On August 1, 1974, Melchor Caro applied for a free patent before the Bureau of Lands, District Land Office No. 6-1, covering the said area of the property which he bought from his father. The application was, however, opposed by Deogracias de la Cruz. On November 6, 1980, the Regional Director rendered a Decision<sup>[4]</sup> canceling the said application, thusly:

This is a claim of Deogracias de la Cruz to Lot No. 4512, Pls-775 of Calaya, Nueva Valencia, Guimaras, covered by the above-noted application of Melchor Caro.

In the investigation, respondent claims preferential rights over the land as he acquired it through sale from his father Gregorio Caro who had likewise bought the land from Ruperto Cepellano (sic) in 1953. On the other hand, protestant De la Cruz testified that the land in controversy was bought by him from Cipriano Gallego in 1965; that he thereafter occupied, possessed and improved the land by planting coconut trees; and that in 1968 he was forcibly driven out by Gregorio Caro from the land in question.

Verification of the records disclosed that the land which was actually sold

to Gregorio Caro by Ruperto Gepellano (sic) is Assessor's Lot No. 160. The description and physical identity of Lot No. 160 is basically different and distinct from Lot No. 4512, the land in question. This could be clearly seen in the Certified True Copy of the Sketch Plan from the Assessor's Office of Assessor's Lot No. 160 and the Sketch Plan marked as Exhibit 9 of the Respondent-Applicant. It has been established that Assessor's Lot No. 160 corresponds to Lot No. 4511 and not Lot No. 4512 claimed by the protestant. Moreover, Ruperto Cepellano (sic) in his affidavit testified that what he sold to Gregorio Caro is a land distinct and different from the land in question.

IN VIEW OF THE FOREGOING FINDINGS, it is ordered that the F.P.A. No. (VI-1)8548 of applicant-respondent Melchor Caro be, as hereby it is, cancelled. Protestant Deogracias de la Cruz if qualified, is given one hundred twenty (120) days from the finality of this decision to file an appropriate public land application otherwise he shall lose his preferential right thereto.

SO ORDERED.<sup>[5]</sup>

Caro filed a notice of appeal before the Regional Land Office in Iloilo City, docketed as MNR Case No. 5207. However, the appeal was dismissed in an Order<sup>[6]</sup> dated June 29, 1982, on the ground of failure to file an appeal memorandum within the reglementary period therefor.

On August 29, 1982, Susana R. Sucaldito, as the buyer of Lot No. 4512, filed an Application for a Free Patent<sup>[7]</sup> covering the said lot, and was issued Free Patent No. 597599. Consequently, the Register of Deeds of Iloilo City issued Original Certificate of Title (OCT) No. F-27162 in her favor. Sucaldito then filed a Petition for Writ of Possession<sup>[8]</sup> before the RTC of Iloilo City, which was granted in an Order<sup>[9]</sup> dated May 7, 1984.

Thereafter, on February 20, 1984, Caro filed a Complaint<sup>[10]</sup> against Sucaldito for "Annulment of Title, Decision, Free Patent and/or Recovery of Ownership and/or Possession with Damages" before the RTC of Iloilo City. He later filed an amended complaint,<sup>[11]</sup> alleging that he was the owner of the subject lot, and had been in possession of the same "since 1953 and/or even prior thereto in the concept of owner, adversely, openly, continuously and notoriously." He further alleged that the said lot had been declared for tax purposes in his name and that of his predecessors-in-interest, and that the corresponding land taxes had been paid therefor. He claimed that Assessor's Lot No. 160 had actually been divided into two lots, namely, Lot No. 4511 and Lot No. 4512; Sucaldito had actually been claiming Lot No. 989 (Lot No. 4512), which was located two kilometers away. He lamented that despite the overwhelming evidence proving his ownership and possession of the said property, the Bureau of Lands did not award it to him.

Caro further alleged that since the issuance of the free patent over the subject lot in favor of Sucaldito was wrongful and fraudulent, she had no right whatsoever over the subject lot. Hence, as a "trustee of a constructive trust," she was obliged to return the same to him as the lawful owner. The complaint contained the following prayer:

WHEREFORE, it is prayed that judgment be rendered:

1. Ordering the annulment and voiding of the decision of the Bureau of Lands, the free patent and the Original Certificate of Title No. F-27162 or in the alternative;
2. Ordering defendant to reconvey the ownership and in the event she wrests possession from plaintiff then, also the possession of Lot 4512 PLS-775 of Nueva Valencia, Guimaras Cadastre, back to plaintiff;
3. Declaring plaintiff as the lawful owner and possessor of Lot 4512 PLS-775 of Nueva Valencia, Guimaras Cadastre and ordering the issuance of a free patent or a torrens title in favor of plaintiff;
4. Ordering defendant to pay the plaintiff P50,000.00 as moral damages, P2,000.00 as attorney's fees and P2,000.00 as expenses on litigation plus exemplary damages in an amount at the discretion of this Court.

Plaintiff further prays for such other relief just and equitable in the premises.<sup>[12]</sup>

In her answer with counterclaim, Sucaldito interposed, as a special affirmative defense, the fact that she intervened in the proceedings on Caro's application for a free patent over Lot No. 4512 before the Bureau of Lands having bought the subject land from De la Cruz. Moreover, contrary to the allegations of the petitioner, Lot No. 989 and Lot No. 4512 were one and the same lot, as per the findings of the Bureau of Lands.

The parties thereafter presented evidence to prove their respective claims. In a Decision<sup>[13]</sup> dated December 7, 1993, the trial court ruled in favor of the respondent and dismissed the petitioner's complaint. The dispositive portion reads:

WHEREFORE, premises considered, the complaint filed by plaintiff is dismissed. The counterclaim of defendant which is merely the result of the filing of the complaint, is likewise dismissed.

Costs against the plaintiff.

SO ORDERED.<sup>[14]</sup>

Citing the case of *Maximo v. Court of First Instance of Capiz, Br. III*,<sup>[15]</sup> the trial court ruled that Caro had no personality to file the action for the annulment of the free patent issued in favor of Sucaldito, which could only be brought by the Solicitor General. It held that "an applicant for a free patent who is not the owner of a parcel of land cannot bring an action in court to recover the land, for the court may not usurp the authority of the Director of Lands and the Secretary of Agriculture to dispose lands of the public domain through administrative proceedings under the Public Land Act,"<sup>[16]</sup> or Commonwealth Act No. 141, as amended. The trial court further stressed that the remedy of a rival-applicant for a free patent over the same land was through administrative channels, not judicial, because even if the oppositor

succeeds in annulling the title of the applicant, the former does not thereby become the owner of the land in dispute.<sup>[17]</sup>

The trial court also declared that contrary to Caro's claims, the evidence clearly showed that Lot No. 4512, with an area of 70,677 square meters, was not included in Assessor's Lot No. 160, thus:

Assessor's Lot 160 is Cadastral Lot 4511, which has an original area of around 17 hectares, more or less, later on, increased to 21 hectares. If we add Lot 4512 to Lot 4511 following the contention of the plaintiff, then the area would be more than 28 hectares. Thus, belying the claim of plaintiff that Lot 4512 was formerly a part of Assessor's Lot 160.

The contention of the plaintiff that the defendant is claiming Lot 989 which is owned by Felix Galabo and located at Brgy. Olacon, is not well taken, because the identification of the lot as stated in the tax declaration is not binding and conclusive. What is binding and conclusive is what is stated in the title of the land and its technical description. In the technical description as found in the title of the defendant [Sucaldito], it is clearly stated therein that the lot is Lot 4512 and is located at Brgy. Calaya and not Brgy. Olacon, Nueva Valencia, Guimaras.

<sup>[18]</sup>

Aggrieved by the trial court's ruling, Caro elevated the case to the CA on the following grounds:

I

THE COURT *A QUO* ERRED IN RULING THAT PLAINTIFF HAS NO PERSONALITY TO BRING THE ACTION;

II

THE COURT *A QUO* ERRED IN RULING THAT EVEN IF THE PLAINTIFF HAS THE PERSONALITY TO BRING THE ACTION STILL HE CANNOT RECOVER THE LOT IN QUESTION, CAD. LOT NO. 4512;

III

THE COURT ERRED IN NOT ORDERING THE DEFENDANT TO RECONVEY THE LAND IN QUESTION TO PLAINTIFF AND TO PAY DAMAGES.<sup>[19]</sup>

The CA dismissed the petition in its Decision<sup>[20]</sup> dated July 31, 2002. The appellate court agreed with the ruling of the RTC that the petitioner had no personality to file the action under Section 101 of Commonwealth Act No. 141, considering further that he was a mere applicant for a free patent. Citing several cases,<sup>[21]</sup> the appellate court ruled that the findings of fact made by administrative agencies which are supported by substantial evidence must be respected, particularly where the question demands the exercise of sound administrative discretion requiring special knowledge and experience.<sup>[22]</sup>

Caro filed a motion for reconsideration of the said decision, which the appellate

court denied in a Resolution<sup>[23]</sup> dated February 7, 2003.

Caro, now the petitioner, assails the ruling of the appellate court on the following grounds:

THAT THE HONORABLE APPELLATE COURT COMMITTED AN ERROR IN HOLDING THAT PETITIONER HAS NO LEGAL PERSONALITY TO FILE THIS ACTION;

THAT THE HONORABLE APPELLATE COURT ERRED IN DISMISSING THE APPEAL INTERPOSED BY PETITIONER ON THE GROUND THAT ONLY THE SOLICITOR GENERAL CAN FILE AN ACTION FOR RECONVEYANCE OF PROPERTY ACQUIRED BY PATENT.<sup>[24]</sup>

The petitioner insists that contrary to the ruling of the CA, he has the legal personality to bring and institute the present action against the respondent, considering that title issued on the basis of a patent is annulable on the ground of fraud. Furthermore, the one-year period within which to file an action to cancel a torrens title under Section 32 of Presidential Decree No. 1529 does not apply where the registered owner, or the successor-in-interest, knew that the property described in the title actually belongs to another, as in this case. The petitioner cites *Vital v. Anore, et al.*<sup>[25]</sup> to bolster his claim. The petitioner also cites *Director of Lands v. Abanilla*<sup>[26]</sup> where the Court stressed that any false statement in the application, which is an essential condition of the patent or title under Section 91 of Commonwealth Act No. 141, "shall *ipso facto* produce the cancellation of the concession, title or permit granted."

In her comment, the respondent points out that the decision of the Bureau of Lands itself would show that the petitioner is not the true and lawful owner of the subject lot; as such, the argument that he has the legal personality to file the action for annulment of patent based on constructive trust is untenable. The respondent further contends that the CA did not err in upholding the ruling of the RTC.

The petitioner merely reiterated his previous arguments in his Reply dated December 30, 2003.

The Court agrees with the ruling of the RTC and the CA, and holds that the petitioner has no personality to file a suit for reconveyance of the subject property.

The Court notes that the petitioner's complaint before the RTC prays for the annulment of the free patent issued in the respondent's favor. Considering that the ultimate relief sought is for the respondent to "return" the subject property to him, it is in reality an action for *reconveyance*. In *De Guzman v. Court of Appeals*,<sup>[27]</sup> the Court held that "[t]he essence of an action for reconveyance is that the decree of registration is respected as incontrovertible but what is sought instead is the transfer of the property which has been wrongfully or erroneously registered in another person's name, to its rightful owner or to one with a better right."<sup>[28]</sup> Indeed, in an action for reconveyance filed by a private individual, the property does not go back to the State.<sup>[29]</sup>

*Reversion*, on the other hand, is an action where the ultimate relief sought is to