

SECOND DIVISION

[G.R. No. 118982, February 19, 2001]

LORETA BRAVO CERVANTES, LOIDA CERVANTES, LEAH CERVANTES, CHRISTY CERVANTES, CHARME CERVANTES, SPS. ARMANDO ABAD AND ADORACION ORDUNA, PETITIONERS, VS. HON. COURT OF APPEALS, GUILLERMO (GIL) FRANCISCO, VENANCIO FRANCISCO, APOLONIA FRANCISCO AND VIRGINIA FRANCISCO, RESPONDENTS.

DECISION

DE LEON, JR., J.:

Before us is a petition for review on *certiorari* of the Decision^[1] of the Court of Appeals dated August 25, 1994 affirming the decision^[2] of the Regional Trial Court of Pangasinan in Civil Case No. 16211 (for Recovery of Land with Damages) ordering herein petitioners to vacate the respective parcel of land which they are occupying and to recognize private respondents' ownership thereof.

In dispute are certain portions of a parcel of land (Parcel 1, Lot No. 1, plan Psu-131830) situated in Poblacion, Bugallon, Pangasinan, with an area of seven thousand seven hundred thirty-three (7,733) square meters, covered and described in TCT No. 2200-Pangasinan and registered in the name of Antonio G. Francisco.^[3] A portion with an area of 3,768 square meters was earlier ceded to the Municipality of Bugallon, Pangasinan.^[4]

On July 8, 1985, plaintiffs, herein private respondents, filed an amended complaint alleging that they were the heirs of the late Antonio G. Francisco who was the registered owner of the subject property, and that they recently discovered that the defendants, herein petitioners, were illegally occupying and had declared in their names portions of said property as follows:

Antonio Cervantes - 398 square meters, declared under Tax Declaration No. 316, now Tax Declaration No. 445;

Armando Abad and Adoracion Orduña - 442 square meters, declared under Tax Declaration No. 473 and assessed at P2,480.00.

Plaintiffs demanded that the defendants vacate the subject premises, but the latter refused to do so.^[5] Hence, this action for recovery of land wherein the plaintiffs prayed that the defendants be ordered to (1) vacate immediately the portions of land that they are occupying and to recognize plaintiffs' ownership thereof; (2) pay reasonable rentals from the time this complaint was filed up to the time they vacate the land; (3) pay actual damages amounting to P4,000.00 as reasonable attorney's fees, moral damages and the costs.^[6]

In his answer, defendant Antonio Cervantes, herein petitioner, denied the material allegations of the complaint, and in defense claimed legal possession over one of the parcels of land in question alleging that he, together with his brother Claro and sister Macrina-Teresita, inherited the land from their late father Tranquilino Cervantes who purchased the same on January 22, 1947 from Juan Abad, now deceased, who in turn earlier purchased the property from plaintiffs' predecessors-in-interest. During his lifetime, Tranquilino Cervantes introduced improvements in the land without any objection from the plaintiffs or their predecessors-in-interest. By virtue of the Deed of Extrajudicial Partition executed by the heirs of Tranquilino Cervantes, the ownership of the contested premises were allegedly transmitted to them. In his counterclaim, Cervantes prayed that judgment be rendered: (1) dismissing the complaint against him for lack of cause of action; (2) declaring the validity of the Deed of Sale dated January 22, 1947; (3) ordering the plaintiffs, jointly and severally, to pay him the sum of P5,000.00 as attorney's fees; P5,000.00 as litigating expenses; P5,000.00 as moral damages; P5,000.00 as exemplary damages, plus costs.^[7]

Defendants spouses Armando and Adoracion Abad, on the other hand, alleged that their possession, together with that of their predecessors-in-interest, over the questioned parcel of land was lawful and in the concept of owner. Their possession was for more than 70 years, even dating back before the year 1920. The questioned parcel was a portion of the land jointly purchased by their parent, the late Juan Abad, and Marcelino Nievera from Estefania Ignacio Vda. De F. Totañez, who purchased the same from Antonio Fernandez, who in turn purchased the property from Vicente Espino, whose possession and ownership of the property was public, exclusive, notorious, open and continuous long before the alleged registration of the subject property in the name of Antonio Francisco, under Act No. 496, the latter being known as a mere trustee or overseer. When Juan Abad died, the defendant spouses acquired the subject property partly by inheritance and partly by purchase.^[8]

Defendants Abad alleged that the imprescriptibility and indefeasibility of the Torrens Title do not apply to the case at bar because registration by the applicant-registrant was done in bad faith and by way of actual fraudulent acts; that Act No. 496 as amended by P.D. No. 1529 was never intended to shield the fraudulent and unlawful acts of the applicant-registrant in order to divest the actual owner and possessor thereof before the registration; and that between the actual owners-possessors before the registration under Act No. 496 and a usurper-trustee who applied and successfully registered the same land in his name, the former should prevail over the latter.^[9]

As counterclaim, defendants Abad prayed that the plaintiffs be ordered to pay them P10,000.00 as attorney's fees; appearance fees computed at P300.00 per hearing; P20,000.00 as actual and other incidental expenses; P50,000.00 as moral damages; P50,000.00 as exemplary damages and costs of suit.^[10]

Based on the Pre-trial Order dated July 8, 1985, the parties agreed that the issues are the following:

1. Who are the lawful owners of the parcels of land in question?

2. Whether or not the parties are entitled for damages as claimed in their respective pleadings.^[11]

On October 28, 1987, the trial court rendered judgment in favor of the plaintiffs, which in part reads:

Thus, this Court hereby declares that the plaintiffs are the owners of the parcels of land subject of this action having acquired it from their late father, Antonio Francisco by hereditary succession. Prescription and laches cannot be raised against the plaintiffs. If there is/are somebody who is/are guilty of laches in this case, it would be the defendants. Because for a considerable long period of time, they failed to obtain a title over the parcels in question.

WHEREFORE, judgment is hereby rendered in favor of the plaintiffs and against the defendants, to wit:

- a) ordering the defendants to vacate immediately the parcel of land they are occupying, and to recognize the plaintiffs' ownership thereof; and
- b) ordering the defendants to pay actual damages in the amount of P4,000.00 by way of reasonable attorney's fees and P10,000.00 by way of moral damages and to pay the costs.

SO ORDERED.^[12]

The Court of Appeals affirmed the decision of the trial court in its Decision promulgated on August 25, 1994, the dispositive portion of which reads:

WHEREFORE, finding no reversible error in the decision appealed herefrom the same is hereby AFFIRMED in toto.

SO ORDERED.^[13]

Petitioners' motion for reconsideration was denied by the Court of Appeals in a Resolution dated February 13, 1995.

Petitioners ascribe to the Court of Appeals the following errors:

1. IT IS AN ERROR TO CONCLUDE THAT THE PLAINTIFFS, HEREIN PRIVATE RESPONDENTS, ARE THE LAWFUL OWNERS OF THE LANDS IN QUESTION BASED ON A DOUBTFUL MUTILATED ENTRY IN TCT NO. 2200.
2. IT IS AN ERROR (NOT) TO CONSIDER SUBSEQUENT ACTS OF THE PARTIES AFTER THE SALE TO ASCERTAIN THE IDENTITY OF THE LAND SUBJECT OF THE SALE.
3. IT IS AN ERROR NOT TO RECOGNIZE THE DEFENDANTS, HEREIN PETITIONERS, AS LAWFUL OWNERS OF THEIR RESPECTIVE RESIDENTIAL LOTS.^[14]