

FIRST DIVISION

[G.R. Nos. 102961-62, January 27, 2000]

JESUS P. LIAO, PETITIONER, VS. HON. COURT OF APPEALS I. C. CRUZ CONSTRUCTION, INC. AND ARLE DEVELOPMENT CORPORATION, RESPONDENTS.

[G.R. NO. 107625. JANUARY 27, 2000]

JESUS P. LIAO, PETITIONER, VS. HON. COURT OF APPEALS, PRESIDING JUDGE, REGIONAL TRIAL COURT, QUEZON CITY, BRANCH 85, SUSAN A. FORONDA, ILUMINADA R. DIONISIO, AZUCENA Q. PUA AND LUCIA PUA LIOK BIN, RESPONDENTS.

[G.R. NO. 108759. JANUARY 27, 2000]

JESUS P. LIAO, PETITIONER, VS. HON. COURT OF APPEALS, EDMUND M. RUIZ, ROMEO GOMEZ AND ROSALINDA VILLAPA (REPRESENTED BY HER ATTORNEY-IN-FACT ELEAZAR M. VILLAPA), RESPONDENTS.

D E C I S I O N

PARDO, J.:

Petitioner Jesus P. Liao seeks to annul the decisions of the Court of Appeals^[1] which annulled an order of the Regional Trial Court,^[2] Quezon City, Branch 99 directing the Register of Deeds to issue transfer titles to Estrella Mapa over certain lots in Piedad Estate, Quezon City.^[3]

The cases before us involve the issuance to different persons of several torrens titles covering the same property.

The facts may be summarized as follows:

On March 5, 1986, Estrella Mapa filed with the Regional Trial Court, Quezon City, Branch 99 a petition for reconstitution of documents and issuance of certificates of title over certain parcels of land covered by OCT 614, Decree No. 6667, GLRO Rec. No. 5975.^[4]

Estrella Mapa claimed that on June 16, 1913, the Director of Lands issued certificates of sales^[5] to Vicente Salgado over the parcels of land covered by OCT 614, Decree No. 6667, GLRO Rec. No. 5975 in accordance with Act. No. 1120, otherwise known as the Friar Lands Act. The sale involves four (4) parcels of land (Lot Nos. 755, 777, 778 and 783) located at Bgy. Payatas, Quezon City. Lot No. 755 has an area of 3.691 hectares, Lot No. 777 has 25.0155 hectares, Lot No. 778 has

24.5091 hectares, and Lot No. 783 has 25.0363 hectares. The four lots form part of the Piedad Estate.^[6]

On April 12, 1930, Vicente Salgado assigned the property to Estrella Mapa.

After hearing, on June 30, 1986, the trial court issued an order which provides:

"WHEREFORE, finding the Assignment of Sales Certificate Nos. 781 and 783 covering lots 778 and 777 respectively, to be genuine, valid and registrable titles, and the existence of approved technical descriptions of said lots, the Court hereby orders the Registry of Deeds of Quezon City, after payment of the required fees therefore, to issue a transfer Certificate of Title in the name of petitioner Estrella Mapa for Lot No. 778 as per technical description approved and certified by, and on file with the Bureau of Lands, and as earlier ordered reconstituted in the Office of the Land Registration Commission; and portions of Lot 777 as per amended technical description submitted by petitioner and based on duly-approved technical description on file with the Bureau of Lands.

"SO ORDERED.

"Quezon City, Philippines, June 30, 1986.

"GODOFREDO Q. ASUNCION

J u d g e"^[7]

Pursuant to this order, the Register of Deeds of Quezon City issued T.C.T. No. 348156 dated August 5, 1986 covering Lot No. 778 and a portion of Lot No. 777. On August 12, 1986, the Register of Deeds cancelled this title and issued T.C.T. No. 348291 and T.C.T. No. 348292 covering Lot No. 778 and a portion of Lot No. 777 respectively.^[8]

Unfortunately, the above titles were in conflict with several existing certificates of title, resulting in the filing of several actions with the Regional Trial Court, Quezon City for quieting, and an investigation into the matter by the National Bureau of Investigation.^[9] Meantime, Estrella Mapa assigned the parcels of land covered by T.C.T. No. 348291 and T.C.T. No. 348292 in favor of Palmera Agricultural Realty Development Corporation, which is a family corporation headed by Lourdes Angeles, Estrella Mapa's daughter.

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On March 28, 1990, I.C. Cruz Construction, Inc. (ICC) filed with the Court of Appeals^[10] a petition for the annulment of the Order dated June 30, 1986 of the Regional Trial Court, Quezon City.^[11] I.C. Cruz alleged that the title issued by the Register of Deeds of Quezon City pursuant to said order encompassed property which had been registered and titled in its name under TCT No. 836975.

On July 3, 1990, Arle Realty Development Corporation (hereafter Arle) filed a similar petition with the Court of Appeals^[12] praying for the annulment of the same order of the Regional Trial Court. Arle claimed ownership of six (6) lots covered by TCT No.

263984 to 263989, which had overlapped TCT No. 348292 covering Lot No. 777.

After consolidation of the two cases, the Court of Appeals set the cases for preliminary conference on March 21, 1991. At this conference, Jesus P. Liao appeared with his counsel and claimed that he purchased the parcels of land from Palmera by virtue of a Deed of Omnibus Assignment dated August 23, 1990.

On August 29, 1991, the Court of Appeals rendered decision as follows:

"WHEREFORE, the Order dated June 30, 1986 of the respondent Regional Trial Court of Quezon City (Br. 99) in LRC Case No. Q-3369 (86) is declared null and void. Consequently, the Register of Deeds of Quezon City is ordered to cancel T.C.T. No. 348156, T.C.T. No. 348291 and T.C.T. No. 348292 of the Registry of Deeds of Quezon City, all of which were issued pursuant to the aforesaid Order, as well as all the subsequent titles derived therefrom.

"SO ORDERED.

"SALOME A. MONTOKA
"Associate Justice

"WE CONCUR:

"FIDEL P. PURISIMA
"Associate Justice

BONIFACIO CACDAC, JR.
Associate Justice"^[13]

By resolution issued on November 28, 1991, the Court of Appeals denied Jesus Liao's motion for reconsideration.^[14]

On January 17, 1992, petitioner filed the present recourse.^[15]

Re: G. R. No. 107625

On February 17, 1988, respondents Susan A. Foronda, Iluminada R. Dionisio, Azucena Q. Pua, and Lucia Pua Liok Bin filed with the Regional Trial Court, Quezon City, Branch 85 a complaint^[16] for "Annulment of Title, Reconveyance of Property, Damages and Injunction with Restraining Order" against Estrella Mapa, Lourdes Angeles, Serafin B. Riosa, Ernie M. Palmos, Palmera Agricultural Realty Corporation and Maristel Y. Angeles, involving lots titled in the names of the complainants but also covered by TCT No. 348292 (Lot No. 777).

Respondents alleged that Lot 777 ceased to be part of Friar Land as early as May 1922 when the Director of Lands executed Deed of Sale No. 10570 conveying ownership of Lot 777 to one Carlos Sarmiento, not to Vicente Salgado. The lot could not have been validly assigned to defendant Estrella Mapa on April 12, 1930 by Vicente Salgado, who was not the rightful owner of the property. TCT 348292 was procured only in 1986 while the titles of plaintiffs were issued in 1967 and one was issued in 1958.

Sometime in October 1986, respondents went to the Office of the City Assessor of Quezon City in response to a letter of the City Assessor informing them that Estrella Mapa was applying for the issuance of tax clearance for Lot 777 covering

respondents' property. The basis of the application was TCT No. 348292 of the Registry of Deeds for Quezon City dated August 12, 1986. The title contained an encumbrance, which stated that the title was under investigation by the Verification Committee of the Land Registration Commission (LRC), later known as National Land Titles and Deeds Registration Administration (NALTDRA).^[17]

On November 4, 1987, the Verification Committee submitted a report stating that TCT No. 348292 was fraudulently and irregularly issued, being a duplication of previously issued titles and recommending the filing of an action for the annulment of TCT Nos. 348156, 348291 and 348292 all in the name of Estrella Mapa.

The committee recommended that:

"1. A complaint be filed in court through the Office of the Solicitor General for the annulment of TCT Nos. 348156, 348291 and 348292 all in the name of ESTRELLA MAPA, for having been fraudulently and/or illegally issued they being a duplication of several previously issued regular titles;

"2. The matter be endorsed to the National Bureau of Investigation to pinpoint the person or persons responsible therefor, for possible criminal and/or administrative prosecution;

"3. To conduct fact finding investigation relative to the issuance of said Transfer Certificate of Title Nos. 348156, 348291 and 348292, by the Register of Deeds of Quezon City, notwithstanding the existence of other titles covering the same lots, for possible administrative prosecution;

"4. The Register of Deeds of Quezon City, be informed of these findings for his information and guidance; and

"5. The return of the original copies of TCT Nos. 348291 and 348292 to the Register of Deeds of Quezon City, after filing of the complaint of annulment and annotation of the notice of *lis pendens* thereof.

"Respectfully submitted:

"THE VERIFICATION COMMITTEE

"By:

"EDILBERTO R. FELICIANO

"Chairman"^[18]

On May 25, 1988, NBI agent Samuel B. Ong submitted a report recommending the prosecution of Estrella Mapa and Lourdes Angeles for violation of Article 172 of the Revised Penal Code.

On April 22, 1988, Azucena O. Pua and Lucia Pua Liok Bin filed with the Regional Trial Court, Quezon City, Branch 85 a motion for intervention and a complaint in intervention, alleging that they had a legal interest in the property in litigation inasmuch as they acquired a portion of the lot from Purita Mapua, who in turn acquired it from plaintiff Iluminada Dionisio and that they were presently owners of

the property under TCT 254620.

On July 24, 1990, the trial court rendered decision ruling, citing *de Villa vs. Trinidad*, 22 SCRA 1167, 1174 [1968], that "where two certificates of title are issued to different persons covering the same land in whole or in part, the earlier in date must prevail as between the original parties and in case of successive registrations where more than one certificate is issued over the land, the person holding under prior certificate is entitled to the land as against the persons who rely on the second certificate." The dispositive portion of the decision reads:

"Wherefore, judgment is hereby rendered as follows:

"1. Declaring null and void, and ordering the Register of Deeds of Quezon City to cancel TCT No. 348292 in the name of Estrella Mapa, as well as TCT No. 373356 and all titles emanating from TCT No. 348292.

"2. Ordering defendants to reconvey to plaintiff Susan A. Foronda her parcel of land under TCT No. 363045; and to plaintiff Iluminada R. Dionisio, her parcel of land under TCT Nos. 44738, 117939, 117940, 117941 and 117943;

"3. Ordering defendants to refrain and desist from advertising and selling any of the lots within the property of herein plaintiffs and from building and constructing roads and other structures thereon;

"4. Ordering defendants to pay plaintiffs and plaintiffs-intervenors, jointly and severally, the sum of P 20,000 as attorney's fees;

"5. Dismissing the counterclaim and crossclaim, with costs against defendants.

"SO ORDERED.

"Quezon City, Philippines, July 24, 1990.

"BERNARDO P. ABESAMIS

"J u d g e"^[19]

On appeal by petitioner to the Court of Appeals, on October 23, 1992, the Court of Appeals dismissed the appeal on two grounds. First, the decision of the trial court which authorized the issuance to Estrella Mapa of TCT No. 348292 had lost its force when the Court of Appeals declared it null and void in its decision promulgated on August 29, 1991.^[20] Second, the July 24, 1990 decision of the trial court was a valid decision, which the Court of Appeals found no reason to disturb.^[21]

On December 16, 1992, Jesus P. Liao filed this petition.

Re: G. R. No. 108759

Following the same facts above where the Register of Deeds, Quezon City issued TCT No. 348292 in the name of Estrella Mapa, the third case developed as follows: