

FIRST DIVISION

[G.R. No. 109111, June 28, 2000]

CARMELINO M. SANTIAGO, MONTSERRAT M. SANTIAGO, NILDA M. IBOLEON, BELINDA MANAHAN AND JOSEFINA M. CAPINPIN, PETITIONERS, VS. THE COURT OF APPEALS AND METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM, RESPONDENTS.

D E C I S I O N

PARDO, J.:

On appeal^[1] before the Court is the decision^[2] of the Court of Appeals declaring respondent Metropolitan Waterworks and Sewerage System ("MWSS") the owner of eleven (11) parcels of land situated in San Mateo, Rizal, and allowing registration of title to the land in its name. The Court of Appeals reversed the "partial decision"^[3] of the Regional Trial Court, San Mateo, Rizal.

The issue raised is factual, which we do not review.^[4] However, since the trial court and the Court of Appeals arrived at different factual conclusions, we depart from the general rule.

On July 22, 1980, the MWSS filed with the Regional Trial Court, San Mateo, Rizal an application for registration of title under the torrens system of eleven (11) parcels of land, situated in San Mateo, Rizal.^[5]

Long before World War II, MWSS buried a 42-inch diameter steel aqueduct pipeline under the subject parcels of land. The pipeline drew water from the Wawa Dam in Montalban, Rizal to the Balara Filters in Quezon City. Fifteen (15) kilometers long, it ran through the municipalities of Montalban, San Mateo and Marikina.^[6]

On August 21, 1987, MWSS filed with the Regional Trial Court, San Mateo, Rizal a second amended petition alleging ownership of the subject parcels of land. It alleged that by itself and through its predecessors-in-interest, the National Waterworks and Sewerage System ("NAWASA") and the Metropolitan Water District ("MWD"), it has been in "open, continuous, exclusive and notorious possession and occupation of the said parcels of land," under a *bonafide* claim of ownership since June 12, 1945.

On January 27, 1988, petitioners Nilda Manahan Iboleon, Belinda Manahan and Josefina Manahan Capinpin, as heirs of Modesto Manahan, filed an opposition to the application. They alleged ownership of a portion of the land subject of the application. They presented transfer certificates of title, related papers and documents to support their claim. They stated that neither they nor their predecessors-in-interest ever ceded ownership or possession of the property to any person, and even assuming that MWSS possessed the land, it did not acquire

ownership by prescription.

On October 24, 1988, petitioner Montserrat M. Santiago as heir of Vicente Manahan, likewise filed an opposition. She claimed ownership of a portion of the land included in the application and presented Original Certificate of Title No. 1153 of the Register of Deeds of the Province of Rizal.

On October 24, 1988, petitioner Carmelino M. Santiago also filed an opposition, alleging ownership of a portion of the land. He presented Transfer Certificate of Title No. M-39258 of the Registry of Deeds of the Province of Rizal.

After due hearings, on November 26, 1990, the trial court decided the case in favor of petitioners. It reasoned: First, the tax declarations presented by MWSS did not prove ownership and merely constituted *prima facie* evidence of possession. Second, the transfer certificates of title presented by petitioners proved ownership and cannot be attacked collaterally. Third, the pipelines installed by respondent MWSS were buried and hidden under the ground, hence, MWSS' possession was not "open". Further, respondent admittedly discontinued use of the pipelines after 1968, hence, possession was not "continuous". Last, respondents' use and possession of the land was merely tolerated by petitioners and could not ripen into ownership. Thus, the decretal portion of the trial court's partial decision reads:

"WHEREFORE, premises considered, this Court hereby renders judgment in favor of the oppositors Montserrat Santiago, Carmelino Santiago, Nilda Manahan Iboleon, Belinda Manahan and Josefina Manahan Capinpin and against the petitioner, as follows:

"1) Ordering the dismissal of the petition insofar as the opposition of the said oppositors are concerned;

"2) Declaring the aforesaid oppositors the owners of the strips of land applied for and are located inside the oppositors' properties described in OCT 1153; TCT No. N-39258 and TCT Nos. 178148 and 178149; and

"3) Sentencing the petitioner to pay the oppositors the sum of P10,000.00 as and for attorney's fee and

"4) To pay the costs.

"SO ORDERED.

"Given at San Mateo, Rizal this 26th day of November, 1990.

"(t/s) CIPRIANO D. ROMA

J u d g e" [7]

On January 21, 1991, respondent MWSS appealed to the Court of Appeals.[8]

Resolving the appeal, the Court of Appeals ruled differently. Reasoning: First, the property covered by the original and transfer certificates of title presented by petitioners merely adjoins and are adjacent to the property claimed by MWSS.[9]

Such is shown by the technical descriptions in the certificates of title presented. The parcels of land covered by the certificates of title do not overlap or encroach on the property claimed by MWSS. In fact, the strips of land where the pipes were laid were deliberately excluded in the survey plans of petitioners' property. The survey served as basis for issuance of petitioners' certificates of title. Second, the aqueducts were installed and buried long before World War II, under untitled land, giving rise to the presumption that such land was "public land". Third, petitioners did not present compelling proof that the land under which the pipelines were buried were owned by their predecessors-in-interest. There was no proof that use of the land by MWSS was merely tolerated by petitioners' predecessors. The testimonies presented by petitioners on the matter are hearsay. Last, MWSS acquired ownership by prescription. True, the pipes were "hidden" under the land. However, it is a matter of public knowledge and judicial notice that the pipes existed and were buried there before World War II. The existence of the pipelines was indicated above the ground by "*pilapils*" constructed by the adjoining landowners themselves, since they planted rice alongside the strips of land. Further, the fact that use of the pipes was discontinued was not relevant since the pipes had remained buried under the land up to the present.

On July 22, 1992, the Court of Appeals promulgated its decision, the dispositive portion of which reads:

"WHEREFORE, the partial decision appealed from herein is REVERSED and in lieu thereof, another partial decision is entered herein declaring applicant MWSS owner of the parcels of land applied for by them in this case and granting and allowing their registration in its name.

"Costs against oppositors-appellees.

"SO ORDERED."^[10]

On February 17, 1993, the Court of Appeals acting on a motion for reconsideration filed by petitioners, clarified its decision as follows:

"WHEREFORE, it is hereby clarified herein that the titled property of appellee Carmelino Santiago adjoining a portion of the strips of land applied for registration by appellant MWSS in this case is excluded from the new partial decision rendered by this Court in favor of appellant in LRC Case No. 18-SM in lieu of that of the lower court appealed from in this case.

"As to the other matters raised in appellees' motion for reconsideration, we find the same without merit and said motion is denied with respect thereto.

"SO ORDERED." ^[11]

Hence, this appeal.^[12]

Petitioners raise three issues^[13] essentially revolving around the question of whether the factual findings of the Court of Appeals are correct.