LAND REGISTRATION: 1952

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To the student of Land Registration and to the general practitioner, the following survey of land registration cases decided in 1952, may prove to be a handy and invaluable guide and aid in his study or practice. This is primarily an objective survey of the Supreme Court decisions. Nonetheless, on some of the more important and significant cases which have been decided, we have felt free to put in some commentaries which we have deemed appropriate under the circumstances.

LAND REGISTRATION PROPER—REGISTRATION OF TITLES AND DEEDS

I. *Meaning of "registration."*

In the case of *Tolentino v. Agcaoili*,[1] the Supreme Court reaffirmed the holding in the former case of *Po Sun Tun v. Price*[2] to the effect that "registration in its juridical aspect must be understood as the entry made in a book or public registry of deeds." This is an express adoption of Escriche's definition of registration.

Thus in this case it was held that mere service of a copy of a petition for registration upon the Register of Deeds does not constitute the registration required by section 77 of the Land Registration Act, nor even a substantial compliance thereof.

II. *Purpose of registration of an instrument.*

The Supreme Court found occasion to discuss the purpose of the registration of an instrument in the case of *Gurba Singh Pabla and Company v. Reyes*,[3] where it said that:

> "The purpose of registering an instrument is to give notice thereof to all persons (section 51, Act No. 496); it is not intended by the proceedings for registration to seek to destroy or otherwise affect already registered rights over the land, subsisting or existing at the time of the registration. The rights of parties who have registered their rights, are not put in issue when an instrument is subsequently presented for registration;

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* LL.B. (U.P.), 1953; Formerly, Member, Student Editorial Board.
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[1] G. R. No. L-4349, May 28, 1952.
[2] 54 Phil. 192, 195.
[3] G. R. No. L-3970, October 29, 1952.

nor are its effects on other instruments previously registered put in issue by the procedure of registration."

It was therefore held that registered mortgagees of the land cannot validly oppose the petition of a subsequent lessee to have his contract of lease noted on the title of the land on the ground that they had no knowledge of the lease, or that their mortgages have priority, or that the lease is invalid. In presenting an instrument for registration and in the order for its registration, the question of the effectivity or validity of the instrument is not in issue, because the purpose of registration is merely to give notice to all persons. And the Court went on to say that at any rate:

> "The law on registration does not require that only valid instruments shall be registered. How can parties affected thereby be supposed to know their invalidity before they become aware, actually or constructively, of their existence or of their provisions? If the purpose of registration is merely to give notice, then questions regarding the effect or invalidity of instruments are expected to be decided *after, not before, registration.*"

As regards the requirement under section 77 of Act No. 496, for the registration of involuntary transactions on land such as its sale on execution, or for taxes or any assessment, or to enforce a lien thereon, it was held in the aforecited case of *Tolentino v. Agcaoili* [4] that this registration is mandatory. In so holding, the Supreme Court discussed the purpose of such registration which is to afford constructive notice to the whole world so that the registered owner may be apprised of the annotation and may take the necessary steps to protect his interest.

"This requirement," the Court said, "is fundamental because it is one of the safeguards that the law establishes in order that owners of land who may have failed to take note of the sale of their properties for delinquency in the payment of taxes, may be notified of the action taken in connection with their properties."

Thus, in this case, the purchaser of a land in a tax-delinquency sale who did not register the deed of sale as required by said section 77 of Act No. 496, cannot have the issuance of a new title in his name covering the land.

III. *Effects of registration.*

A. *Effect of registration of title and issuance of corresponding certificate.*

In general, the effect of registration of title to land and the issuance of the corresponding Torrens certificate is threefold: (a)

[4] G. R. No. L-4349, May 28, 1952.

It places the land under the operation of the Torrens system; (b) It relieves the land from all claims except those noted thereon; and (c) It renders the title non-prescriptible.

Reiterating the well-settled doctrine of non-prescriptibility of land covered by a Torrens title (section 46, Act No. 496), the Supreme Court, in the case of *Dimson v. Rural Progress Administration*,[5] said:

> "If the plaintiff predicates his right upon acquisition of title to a parcel of land by adverse possession, he must allege such adverse possession in the complaint. Adverse possession as a means of acquiring title to a parcel of land cannot, however, he pleaded, if the parcel of land which is the subject of the litigation, is covered by a Torrens title in the name of another person, corporation, or juridical entity, for the title to a parcel of land covered by a Torrens title can no longer be acquired by acquisitive prescription."

The case of *De los Reyes v. De los Reyes* [6] is a recent authority for the view that an adverse claim which is not subsequent but prior to the issuance of the decree of registration and of the original certificate of title cannot be registered pursuant to section 110 of the Land Registration Act. Said section 110 permits the registration of adverse claims arising subsequent to the date of the original registration, by the filing of an affidavit stating the right or interest and a description of the land on which it is claimed.

The facts in this case are, briefly: Four parcels of land were decreed registered in the name of Graciano and Precedes de los Reyes and original certificate of title No. 36580 was issued to them by the Register of Deeds of Pangasinan. Hilario de los Reyes, an uncle of the registered owners, kept the owner's duplicate certificate of title and enjoyed the possession of the four parcels since 1929, because Graciano left the town at the age of 17 and went back only in 1943. After his return he called on and asked his uncle to give him the owner's duplicate, his co-owner having died leaving neither descendants nor ascendants, but his uncle rfused. His uncle claims an adverse right or interest for ₱1,086 against the registered owner of the four parcels of land, and he had this adverse claim filed and registered by means of an affidavit.

The Supreme Court, ordering the cancellation of such adverse claim, said:

> "The loan to the late mother and late stepfather of Graciano de los Reyes was made on April 5, 1924 whereas the original certificate of title

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[5] G. R. No. L-3783, January 28, 1952.

[6] G. R. No. L-4804 and L-4805, November 21, 1952.

> No. 36580 was issued on March 28, 1930. * * * The claim of Hilario being prior and not subsequent to the date of the original registration cannot be entered or registered upon the Torrens certificate of title and it does not entitle him to retain possession of said certificate of title. If he has a valid claim he should bring an action to enforce it."

Likewise the holding in the case of *Clarino v. Pascual*[6] illustrates the effect of the issuance of a Torrens certificate over a parcel of land. Pascual, the original owner of the lot in question, sold it with the right to repurchase, to Foz who in turn, without the knowledge of Pascual, sold the same lot also with a right to repurchase, to Clarino. When Pascual wanted to redeem the land, Foz succeeded in warding him off for 2 years by asking for extensions and making promises to execute the document of resale. Meanwhile, Foz's right to redeem from Clarino expired without having been exercised; Clarino had his title consolidated and a Torrens certificate of title for the land was issued to him.

The Supreme Court held that the consolidation of the title and the issuance of the Torrens certificate of title after the vendors *a retro* failed to exercise their rights to repurchase, made Clarino, the vendee, the absolute owner and extinguished all the rights that the vendors had in the land.

The language of sections 38 and 39 of the Land Registration Act confers the absolute and incontestable character of a Torrens title issued after judicial proceedings. As regards a Torrens title issued upon an administrative grant of public land by homestead or free patent (under section 122, Act No. 496), the weight of authority is to the effect that such title is likewise as indefeasible, uncontrovertible and incontestible as a title issued under a judicial registration proceeding, and cannot again be the subject of any inquiry, decision or judgment.[7]

But it may happen, as it has happened,[8] that the homestead or free patent is granted by the Government upon lands which are not public lands but private lands. When this situation presents itself in a case, does the fact that the patentee has already been issued a certificate of title in accordance with section 122 of Act No. 496, bar any and all actions by the original and rightful owner of the land? The Supreme Court, in the case of *De los Reyes v. Razon*,[9]

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[7] See: *Manalo v. Lukban*, 48 Phil. 973; *El Hogar Filipino v. Olviga;* 60 Phil. 17; *Monte de Piedad v. Velasco*, 61 Phil. 467; *Ramoso v. Obligado*, 70 Phil. 86.

[8] In the cases of: *Rodriguez v. Director of Lands*, 31 Phil. 272; *Zarate v. Director of Lands*, 34 Phil. 416; *De los Reyes v. Razon*, 38 Phil. 480.

[9] 38 Phil. 480.

answered this in the negative and held that such title can still be disputed by the rightful owner.

This was reaffirmed recently in the case of *Vital v. Anore* [10] which laid down the ruling that reconveyance to the true owner can be had as against a registered owner of land acquired by the latter through free patent when such land was not public but private, at the time of the issuance of the free patent and he had full knowledge of that fact. Under these circumstances

> "the court, in the exercise of its equity jurisdiction, without ordering the cancellation of the Torrens title issued upon the patent, may direct the defendant, the registered owner, to recovery the parcel of land to the plaintiff who has been found to be the true owner thereof."

It is to be noted that this decision rests upon the most equitable grounds for were it not so, then the Government in granting patents which happen to cover private lands and thereafter barring the owners thereof from recovering said lands, would unwittingly be a party in unjustly depriving its own citizens of the latter's private landholdings.

B. *Effect of registration of instruments evidencing voluntary dealings with registered land.*

Section 50 of Act No. 496 provides that before registration thereof, no deed, mortgage, lease or other voluntary instrument, except a will, purporting to convey or affect a registered land, shall take effect as a conveyance, or bind the land, but shall operate only as a contract between the parties and as evidence of authority of the registrar of deeds to register the same. The act of registration shall be the operative act to convey and affect the land.

This has been enunciated in a long array of cases, the latest case being that of *Carillo v. Salak de Paz*,[11] where the Supreme Court said the following:

> "While we admit that the sale has not been registered in the office of the Register of Deeds, nor annotated on the Torrens title covering it, such technical deficiency does not render the transaction ineffective, nor does it convert it into a mere monetary obligation, but it simply renders the transaction not binding against a third person because being a registered land, the operative act to bind the land is the act of registration. Said transaction however is valid and binding between the parties and can serve as basis to compel the register of deeds to make the necessary registration."

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[10] G. R. No. L-4136, February 29, 1952.
[11] G. R. No. L-4133, May 13, 1952.

IV. *When a deed is considered registered.*

In the case of *Tuason v. Gumila,*[12] it was held that the registration of a mortgage in the Entry Book by the register of deeds, was a sufficient compliance with the requisites of the registration law. Likewise in *Government of the Philippines v. Aballe* [13] the ruling laid down was that the notation or the registration of an instrument in the Entry Book of a register of deeds "produces all the effects which the law gives to its registration or inscription."

This ruling of the Supreme Court relative to the effect of entering any kind of deeds in the Entry Book, was abandoned in the case of *Bass v. de la Rama* [14] promulgated on December 2, 1942, in which it was held that the mere entry of an instrument in the Entry Book was not sufficient and produces no legal effect unless a memorandum of such instrument is noted on the certificate of title in the Registration Book.

On March 29, 1952, the Supreme Court in the case of *Levin v. Bass and Mintu,*[15] overruled the holding in the *Bass v. de la Rama* case, and reverted to the ruling laid down in the cases of *Tuason v. Guila* [16] and *Government of the Philippines v. Aballe.*[17]

In this case of *Levin v. Bass and Mintu,* the facts are as follows: Joaquin Bass, through fraud and misrepresentation, illegally secured the registration in his name of the lot and building belonging to Rebecca Levin. Subsequently Bass sold the said property to Mintu who was a purchaser for value in good faith. Mintu took all the steps he was expected to take in order to have the Register of Deeds issue to him the corresponding transfer certificate of title—he presented and filed the original deed of sale together with the owner's duplicate certificate of title which was entered in the Day Book, and paid the required fees. However a transfer certificate of title was never actually issued to him, it being shown that in the ensuing battle for liberation, the deed of sale and the owner's duplicate certificate of title were presumably lost or destroyed.

Under the above facts the question posed is whether Mintu is an "innocent holder for value of a certificate of title" under section 55 of Act No. 496 [18] so as to prevail over the claim of Levin, the original owner.

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[12] VII Lawyer's Journal 312.
[13] 60 Phil. 986.
[14] I O. G. 889.
[15] G. R. No. L-4340.
[16] VII Lawyer's Journal 312, December 2, 1942.
[17] 60 Phil. 986.
[18] Said section 55, as amended by Act No. 3322, in part provides:

The Supreme Court, reversing the decision of the trial court, and holding that Mintu should be deemed an innocent holder for value of a certificate of title, said:

> "The pronouncement of the court below is to the effect that an innocent purchaser for value is not a holder of a certificate of title to such property acquired by him for value and in good faith. It amounts to a holding that for failure of the Register of Deeds to comply with and perform his duty, an innocent purchaser for value loses that character—he is not an 'innocent holder for value of a certificate of title.' The court below has strictly and literally construed the provision of law applicable to the case. If the strict and literal construction of the law made by the court below be the true and correct meaning and intent of the law-making body, the act of registration—the operative act to convey and affect registered property—would be left to the Register of Deeds. True there is a remedy available to the registrant to compel the Register of Deeds to issue to him the certificate of title but the step would entail expense and cause unpleasantness."

Then the new ruling, which as has been noted, is in effect an abandonment of the ruling in *Bass v. de la Rama* [19] and a reversion to that in the cases of *Tuason v. Gumila* [20] and *Government of the Philippines v. Aballe*,[21] was enunciated in the following words:

> "* * * an innocent purchaser for value of registered land becomes the registered owner and in the contemplation of law, the holder of a certificate thereof the moment *he presents and files a duly notarized and lawful deed of sale and the same is entered on the Day Book, and at the same time he surrenders or presents the owner's duplicate certificate of title to the property sold and pays the full amount of registration fees*, because what remains to be done lies not within his power to perform."

V. *Presentation of duplicate certificate in registration of deed.*

The case of *Tolentino v. Agcaoili*,[22] cited a few pages back, affirmed the doctrine laid down in *National Bank v. Fernandez* [23] to the effect that the presentation of the owner's duplicate certificate of title is necessary only in voluntary transactions.[24] It is not neces-

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"* * * Provided, however, that in all cases of registration procured by fraud, the owner may pursue all his legal and equitable remedies against the parties to such fraud without prejudice, however, to the rights of any innocent holder for value of a certificate of title."

[19] I O. G. 889.

[20] VII Lawyer's Journal 312, December 2, 1942.

[21] 60 Phil. 986.

[22] G. R. No. L-4349, May 28, 1952.

[23] 61 Phil. 478.

[24] See section 57, Act No. 496 which provides in part:

"An owner deciding to convey in fee his registered land or any portion thereof shall execute a deed of conveyance which the grantor or grantee may present to the

sary in involuntary transactions, for, as the Supreme Court noted, under section 72 of Act No. 496, the register of deeds is charged with the duty of requiring the registered owner to produce the duplicate certificate within 24 hours and if this is not done, he is enjoined to report the matter to the court so that the latter may issue an order requiring the owner to produce the duplicate certificate.

VI. *Authority of Register of Deeds of a province which was divided into two separate provinces.*

An interesting question was presented in the case of *Duldulao v. Ramos.*[25] It was also an important one, bearing in mind that the whole system of registration revolves mainly around the operation and function of the office of the register of deeds.

Republic Act No. 505 having provided for the division of Mindoro into two separate provinces—Oriental Mindoro and Occidental Mindoro—the question that arose in this case was whether the register of deeds appointed for the original province of Mindoro still had the authority to issue certificates of title of lands located in the newly-created province of Occidental Mindoro.

The Supreme Court answering this question in the affirmative, was of the opinion

> "that in the absence of any provision to the contrary, the Register of Deeds of the province of Mindoro continued after its division to be the Register of Deeds for Occidental Mindoro as well as for Oriental Mindoro. It being conceded that this official continued to be the Register of Deeds of Oriental Mindoro after the passage of Republic Act No. 505, there is no valid ground for the proposition that he had ceased to be the same official for Occidental Mindoro. Occidental Mindoro is not inferior to Oriental Mindoro in category and one had been as much a part of the abolished province as the other."

Moreover, the Court pointed out that since no officer was designated for Occidental Mindoro with the necessary facilities to perform the duties of register of deeds, and all the books, certificates of titles, and other papers pertaining to Occidental Mindoro, were in Calapan (in Oriental Mindoro) under the custody of the incumbent official, the situation presented all the elements which called for the application of the principle of hold-over, "to preserve the continuity in the transaction of official business and the operation of the machinery of justice."

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register of deeds in the province where the land lies. The grantor's duplicate certificate shall be produced and presented at the same time. * * *"

[25] G. R. No. L-4615, March 12, 1952.

VII. *Purchaser in good faith—meaning.*

Our Supreme Court, in the case of *Cui and Joven v. Henson*,[26] has defined a purchaser in good faith to be one "who buys property of another without notice that some other person has a right to, or interest in, such property and pays a full and fair price for the same, at a time of such purchase or before notice of the claim or interest of some other person in the property."

However a purchaser's good faith implies not only freedom from actual knowledge of the defect or lack of title in his vendor; but knowledge of fact which should have put him upon such inquiry and investigation as might be necessary to acquaint him with the defects in the title of his vendor. This was the holding of the Supreme Court in the recent case of *Dayao v. Diaz*.[27]

In this case, where the circumstances and the manner in which the property was sold to the plaintiff were so suspicious and "so circuitous that one could not help entertaining fear that there was something queer in the deal," the Court, quoting at length from the opinion in the former case of *Leong Yee v. Strong Machinery Co.*,[28] said:

> "A purchaser can not close his eyes to facts which should put a reasonable man upon his guard, and then claim that he acted in good faith under the belief that there was no defect in the title of the vendor. His mere refusal to believe that such defect exists, or his willful closing of his eyes to the possibility of the existence of a defect in his vendor's title will not make him an innocent purchaser for value, if it afterwards develops that the title was in fact defective, and it appears that he had such notice of the defect as would have lead to its discovery had he acted with that measure of precaution which may reasonably be required of a prudent man in a like situation. Good faith or the lack of it is in the last analysis a question of intention; but in ascertaining the intention by which one is actuated on a given occasion, we are necessarily controlled by the evidence as to conduct and outward acts by which alone the inward motive may, with safety, be determined."

ADMINISTRATION AND DISPOSITION OF PUBLIC LANDS UNDER THE PUBLIC LAND LAW (Com. Act No. 141)

I. *Scope of authority of the Bureau of Lands to administer and dispose of public lands.*

Under the Public Land Law (Com. Act No. 141), the Secretary of Agriculture and Commerce, through the Director of Lands, who acts

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[26] 51 Phil. 606.
[27] G. R. No. L-4106, May 29, 1952.
[28] 37 Phil. 644.

under his immediate control, is charged with the administration and disposition of the lands of the public domain.

A question as to the nature and scope of this authority of administration and disposition, was raised in the case of *Pitargue v. Sorilla.*[29]

The plaintiff here had filed a *bona fide* application for the purchase of a public land and had entered into actual possession thereof, but the land had not yet been finally awarded to him. In his action of forcible entry against the defendant, the latter contends that the land being still "public land" pending final award to the plaintiff-applicant, the Bureau of Lands, and not the courts, has jurisdiction to settle the question of possession.

The Supreme Court rejected the defendant's contention and held that the courts of justice can entertain possessory action over public lands which have been applied for, although final award of such lands has not yet been made. As to the existence of a right on the part of the plaintiff-applicant, it said:

> "Pending the investigation, and resolution on, an application by a *bona fide* occupant, by the priority of his application and record of his entry, he acquires a right to the possession of the public land he applied for against any other public land applicant, which right maybe protected by the possessory action of forcible entry or by any other suitable remedy that our rules provide. Compelling reasons of policy support the recognition of this right in a *bona fide* applicant. It encourages actual settlement; discourages speculation and land-grabbing, and prevents conflicts and overlapping of claims. It is an act of simple justice to the enterprise and diligence of the pioneer without which land settlement cannot be encouraged or emigration from thickly populated areas hastened."

Then as to the question of jurisdiction in the determination of who has the right to possession of the public land applied for, the Supreme Court went on, thus:

> "Under the Public Land Law the vesting of the Lands Department with authority to administer, dispose, and alienate public lands, must not be understood as depriving the other branches of the Government of the exercise of their respective functions thereon, such as the authority to stop disorders and quell breaches of the peace by the police, and the authority on the part of the courts to take jurisdiction over possessory actions arising therefrom not involving, directly or indirectly alienation and disposition."

This is a timely decision of a question which in the words of the Supreme Court is "one of utmost importance" because of the

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[29] G. R. No. L-4302, Sept. 17, 1952.

recognized fact that there are public lands everywhere and there are thousands of settlers, especially in newly opened regions, and the situation invariably is that these lands are occupied without being applied for, or before applications are approved. In fact the approval of applications often takes place many years after the occupation began or the application was filed, so that many other applicants or claimants have entered the land in the meantime, provoking conflicts and overlapping of claims. The decision by the Supreme Court, in this case of the respective authority and function of the Bureau of Lands on the one hand, and the court of justice, on the other, respecting these public lands conflict is decidedly a material step forward in the land settlement program of the nation.

II. *Grantee in the purchase of public land—duty to pay ordinary taxes on the land.*

In the case of *Director of Lands v. Lim*,[30] the facts are: Gumbert, on behalf of the Buad Development Company, filed an application with the Bureau of Lands for the purchase of a tract of public land. The Director of Lands approved the application and awarded the land. In view however, of the failure of the corporation to pay the first and second installments of the purchase price, the Director, on April 29, 1935, cancelled said award. Subsequently, in 1941 the land in question was sold at public auction by the provincial treasurer of Samar for failure of Gumbert to pay the land taxes for the years 1938 and 1939. The defendant was the purchaser, to whom a final deed of sale was executed. The Director of Lands thereupon brought action to annul the tax-sale and recover the land.

The Supreme Court ruled in favor of the Director of Lands on the ground that, after the award in its favor was cancelled by the Director, the Buad Development Company was no longer legally bound to pay any real estate tax on the property covered by the sales application, and therefore the failure to pay said tax could not amount to a delinquency that warranted the sale of the land by the provincial treasurer.

> "It is true that under section 113 of Act No. 2874, all lands granted thereunder and the improvement thereon, except homesteads, are, even if the title remains in the government, subject to the ordinary taxes which shall be paid by the grantee beginning with the year next following the one in which the application or concession has been approved or the contract signed, as the case may be. This provision should be interpreted, however, only in the sense that the grantee is required to pay the ordinary taxes as long as the application or concession subsists and before it is cancelled."

[30] G. R. No. L-4372, April 30, 1952.

III. *Director of Lands is the proper party-plaintiff in an action to annul a sale of public land executed by a provincial treasurer for tax delinquency.*

In the above case of *Director of Lands v. Lim*, it was also urged for the defendant-appellant that the Director of Lands was not the proper party in interest, because under section 101 of Com. Act No. 141, all actions for the reversion to the government of lands of the public domain or improvements thereon, shall be instituted by the Solicitor General or officer acting in his stead, in behalf of the Republic of the Philippines.

On this point, the Supreme Court said:

> "It is significant, however, that the complaint is mainly to annul the sale executed by the provincial treasurer of Samar to the appellant and to eject the latter from the land, the prayer for reversion being merely a necessary incident to the main action for annulment. The Director of Lands being the officer in charge of the disposition and management of public lands (section 4, Com. Act No. 141), he is the proper party-plaintiff."

IV. *Conveyance of land acquired under the free patent or homestead; when effected.*

Section 119 of Com. Act No. 141 reads as follows:

> "Every conveyance of land acquired under the free patent or homestead provisions, when proper, shall be subject to repurchase by the applicant, his widow, or legal heirs, within a period of five years from the date of conveyance."

When is the *date of conveyance* from which the five years is to be computed? This was the question raised in the case of *Paras v. Court of Appeals*,[31] and in answer to which the Court said:

> "After a careful study of the point raised in the present appeal by *certiorari*, we agree with the Court of Appeals that the five-year period within which a homesteader or his widow or heirs may repurchase a homestead sold at public auction or foreclosure sale under Act No. 3155 as amended, begins not at the date of the sale when merely a certificate is issued by the sheriff or other official, but rather, on the day after the expiration of the period of repurchase, when the deed of absolute sale is executed and the property formally transferred to the purchaser. As this Court said in the case of *Gonzales v. Calimaas and Poblete*, 51 Phil. 335, the certificate of sale issued to the purchaser at an auction sale is intended to be a mere memorandum of the purchase. It does not transfer the property but merely identifies the purchaser and the property, states the price paid and the date when the right of redemption expires. *The effective conveyance is made by the deed of absolute sale executed after the expiration of the period of redemption.*"

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[31] G. R. No. L-4091, May 28, 1952.

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