



Republic of the Philippines
Supreme Court
 Manila

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 COURT
 DIVISION
 FEB 20 2017

THIRD DIVISION

**JENESTOR B. CALDITO and
 MARIA FILOMENA T. CALDITO,**
 Petitioners,

G.R. No. 181596

Present:

- versus -

VELASCO, JR., J.,
Chairperson,
 BERSAMIN,
 REYES,
 JARDELEZA, and
 CAGUIOA,* JJ.

**ISAGANI V. OBADO and
 GEREON V. OBADO,**
 Respondents.

Promulgated:

January 30, 2017

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DECISION

REYES, J.:

Assailed in this petition for review on *certiorari*¹ under Rule 45 of Revised Rules of Court are the Decision² dated July 17, 2007 and the Resolution³ dated January 29, 2008 of the Court of Appeals (CA) in CA-G.R. CV No. 87021, which reversed and set aside the Decision⁴ dated December 23, 2005 of the Regional Trial Court (RTC) of Laoag City, Ilocos Norte, Branch 12, in Civil Case No. 12932-12.

* Designated Fifth Member of the Third Division per Special Order No. 2417 dated January 4, 2017.

¹ *Rollo*, pp. 9-28.

² Penned by Associate Justice Rebecca De Guia-Salvador, with Associate Justices Magdangal M. De Leon and Ricardo R. Rosario concurring; *id.* at 224-241.

³ *Id.* at 248.

⁴ *Id.* at 147-175.

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The Facts

This petition stemmed from a complaint⁵ for quieting of ownership over a parcel of land covering the 272.33 square meters eastern portion of Lot No. 1633 situated at Barangay No. 5, San Vicente, Sarrat, Ilocos Norte, filed by Spouses Jenestor B. Caldito and Ma. Filomena Tejada Caldito (Filomena) (petitioners) against Isagani V. Obado (Isagani) and Gereon V. Obado (respondents).

The record showed that as early as 1921, Lot No. 1633 was declared for taxation purposes in the name of Felipe Obado (Felipe). After Felipe's death, Paterno Obado (Paterno), whom Felipe treated like his own son, subsequently occupied Lot No. 1633 and continued to pay the realty taxes of the same.⁶

Sometime in 1995, Antonio Ballesteros (Antonio) executed an Affidavit of Ownership dated February 23, 1995 narrating his claim over the subject parcel of land. In his affidavit, Antonio claimed that Lot No. 1633 was co-owned by Felipe with his five siblings, namely: Eladia, Estanislao, Maria, Severino and Tomasa, all surnamed Obado.⁷

On the next day following the execution of the said affidavit or on February 24, 1995, Antonio and Elena Ballesteros (Spouses Ballesteros) sold the subject parcel of land to the petitioners for the sum of ₱70,000.000 evidenced by a Deed of Absolute Sale. Thereafter, the petitioners declared the subject lot for taxation purposes and paid the realty taxes thereon.⁸

In 2002, the petitioners attempted to build a house on the subject parcel of land but the respondents prevented them from completing the same. The respondents then filed a complaint before the barangay but no amicable settlement was reached between the parties.⁹ Hence, on December 8, 2003, the petitioners instituted a complaint for quieting of ownership against the respondents before the RTC, as well as an injunctive writ to prevent the respondents from interfering with the construction of their house.¹⁰

⁵ Id. at 31-35.

⁶ Id. at 225-226.

⁷ Id. at 226.

⁸ Id. at 228.

⁹ Id.

¹⁰ Id. at 31-35.

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For their part, the respondents averred that the Spouses Ballesteros were not the owners and possessors of the subject parcel of land. They maintained that Lot No. 1633 was inherited by their father, Paterno, from its original owner Felipe, and they have been paying the real property taxes for the entire property. They asserted that the petitioners are buyers in bad faith since their family had been in possession of the entire Lot No. 1633 since 1969 and had been in open, peaceful and uninterrupted possession of the whole property up to the present or for more than 30 years in the concept of an owner.¹¹

After trial, the court *a quo* rendered its judgment in favor of the petitioners. The trial court upheld the validity of the sale between the petitioners and the Spouses Ballesteros and dismissed the respondents' claim of ownership over Lot No. 1633. The trial court held that the petitioners presented convincing evidence of ownership over the subject parcel of land which consists of the following: (a) the Deed of Absolute Sale executed between the petitioners and the Spouses Ballesteros; (b) the tax declarations all paid by the petitioners only; and (c) the Affidavit of Ownership allegedly executed by Antonio. The trial court also found that the respondents have no successional rights over the property of Felipe based on the governing law and on the order of intestate succession at that time and the established facts. Thus, the RTC disposed as follows:

WHEREFORE, IN VIEW OF ALL THE FOREGOING PREMISES, the preponderance of evidence having substantially and sufficiently tilted in favor of the [petitioners] herein and against the [respondents] herein named and their siblings, this Court hereby renders judgment declaring the validity of the 272.33 square meters eastern portion of Lot No. 1633 in favor of the [petitioners] and, the [respondents] are hereby ordered to do the following:

1. *to respect, recognize and not to molest the lawful ownership and possession of the [petitioners] over the 272.33 square meters located at the eastern portion of Lot No. 1633 of the Sarrat Cadastre;*
2. *to pay jointly and severally to the [petitioners] the total sum of:*
 - 2.a. *₱118,453.50 – as and for actual damages;*
 - 2.b. *₱400,000.00 – as and for moral damages;*
 - 2.c. *₱100,000.00 – as and for nominal damages;*
 - 2.d. *₱200,000.00 – as and for temperate damages; and*
 - 2.e. *₱300,000.00 – as and for exemplary damages or corrective.*

With costs against the [respondents].

¹¹ Id. at 229.

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SO ORDERED.¹² (Emphasis and italics in the original)

On appeal, the CA reversed and set aside the RTC decision upon finding that: (1) the petitioners failed to prove the title of their immediate predecessors-in-interest, the Spouses Ballesteros; (2) the petitioners failed to support their claim that Felipe and his siblings, Eladia, Estanislao, Maria, Severino and Tomasa, co-owned Lot No. 1633; (3) Antonio should have been called to the witness stand to testify on the contents of his Affidavit of Ownership; (4) the Deed of Absolute Sale is not a sufficient and convincing evidence that the petitioners' predecessors-in-interest have a title on the subject parcel of land which they can transfer; (5) the petitioners are not innocent purchasers for value since the subject lot is not registered and is in the possession of another person, other than the Spouses Ballesteros; (6) nothing in the record could establish the relationship between Felipe and his supposed legal heirs; and (7) the respondents enjoy a legal presumption of just title in their favor since they are in possession of the entire Lot No. 1633. The CA then ruled that:

For a party seeking to quiet their "ownership" of the portion in litigation, [the petitioners] have, for starters, miserably failed to prove the title of their immediate predecessors-in-interest, the [Spouses Ballesteros]. Except for the February 23, 1995 *Affidavit of Ownership* executed by [Antonio], there is, in fact, no evidence on record to support the claim that the subject parcel was, indeed, co-owned by [Felipe] [and] his siblings, Eladia, Estanislao, Maria, Severino and Tomasa, all surnamed Obado. To our mind, the fact that [Antonio] was not even called to the witness stand to testify on the contents of his *Affidavit of Ownership* should have immediately impelled the trial court to discount its probative value and, with it, the very foundation of [the respondents'] supposed cause of action.

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With even greater reason are we disposed towards the reversal of the trial court's holding that, pursuant to the provisions of the *Spanish Civil Code of 1889* on intestate succession, Eladia, Estanislao, Maria, Severino and Tomasa, all surnamed Obado were the ones who have rightfully inherited the subject parcel from their brother, [Felipe]. Except for the aforesaid February 23, 1995 *Affidavit of Ownership* executed by [Antonio], [the respondents] correctly argue that there is nothing on record from which the relationship of said decedent and his supposed legal heirs may be reasonably deduced. Even if said relationship were, moreover, assumed, the absence of evidence showing that [Felipe] predeceased all of his supposed siblings impel us to regard, with considerable askance, the trial court's disposition of the case by application of said rules on intestate succession. Litigations cannot be properly resolved by suppositions, deductions, or presumptions, with no basis in evidence for the truth must have to be determined by the hard rules on admissibility and proof. This is particularly true of the case at bench where the successional rights determined by the trial court are diametrically opposed to [Antonio's] *Affidavit of Ownership* which dubiously claimed that the subject parcel

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Id. at 175.

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was, in fact, co-owned by [Felipe] and his ostensible siblings and had already been partitioned by and among them.¹³

The petitioners moved for reconsideration¹⁴ but the same was denied.¹⁵ Hence, this petition.

The Issue

WHETHER OR NOT THE PETITIONERS WERE ABLE TO PROVE OWNERSHIP OVER THE SUBJECT PARCEL OF LAND.

Ruling of the Court

The petition has no merit.

At the outset, it bears to emphasize that there is no dispute with respect to the fact that Felipe was the original owner of the entire parcel of unregistered land known as Lot No. 1633 which he started declaring as his property for taxation purposes as early as 1921. When Felipe died without issue, Lot No. 1633 was subsequently occupied by Paterno who then declared the same for taxation purposes and paid the realty taxes thereon.

The petitioners' complaint styled as being for the "quieting of ownership" is in fact an action for quieting of title. The petitioners anchor their cause of action upon the Deed of Sale and the Affidavit of Ownership executed by Antonio. On the other hand, the respondents countered that: (1) they inherited from their father, Paterno, Lot No. 1633, of which the herein disputed subject parcel of land is part; and (2) they have been in possession of the same for more than 30 years in the concept of an owner.

Essentially, the issues raised center on the core question of whether the petitioners were able to prove ownership over the subject parcel of land. In resolving this issue, the pertinent point of inquiry is whether the petitioners' predecessors-in-interest, the Spouses Ballesteros, have lawful title over the subject parcel of land.

¹³ Id. at 235-238.

¹⁴ Id. at 242-247.

¹⁵ Id. at 248.

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While the question raised is essentially one of fact, of which the Court normally abstains from, yet, considering the incongruent factual conclusions of the courts below, the Court is constrained to go by the exception to the general rule and proceed to reassess the factual circumstances of the case and make its own assessment of the evidence and documents on record. But even if the Court were to re-evaluate the evidence presented, there is still no reason to depart from 'the CA's ruling that Lot No. 1633 is owned by the respondents.

The Court concurs with the disquisition of the CA that the petitioners failed to: (1) prove the title of their immediate predecessors-in-interest, the Spouses Ballesteros; and (2) present evidence supporting the claim that Lot No. 1633 was co-owned by Felipe and his siblings, Eladia, Estanislao, Maria, Severino and Tomasa. Also, the Court finds that the RTC mistakenly relied upon the Affidavit of Ownership, executed by Antonio, to conclude that the petitioners were possessors in good faith and with just title who acquired the subject parcel of land through a valid deed of sale.

In this case, the petitioners' cause of action relates to an action to quiet title which has two indispensable requisites, namely: (1) the plaintiff or complainant has a legal or an equitable title to or interest in the real property subject of the action; and (2) the deed, claim, encumbrance or proceeding claimed to be casting cloud on his title must be shown to be in fact invalid or inoperative despite its *prima facie* appearance of validity or legal efficacy.¹⁶

From the foregoing provisions, it is clear that the petitioners' cause of action must necessarily fail mainly in view of the absence of the first requisite since the petitioners were not able to prove equitable title or ownership over the subject parcel of land.

The petitioners' claim of legal title over the subject parcel of land by virtue of the Deed of Sale and Affidavit of Ownership issued by Antonio cannot stand because they failed to prove the title of their immediate predecessors-in-interest, the Spouses Ballesteros. The Court cannot give full credence to Antonio's Affidavit of Ownership for he simply made general and self-serving statements therein which were favorable to him, and which were not supported with documentary evidence, with no specifics as to when their predecessors-in-interest acquired the subject parcel of land, and when the Donations *Propter Nuptias* were made. Indeed, such is hardly the well-nigh incontrovertible evidence required in cases of this nature. The petitioners must present proof of specific acts of ownership to substantiate his claim and cannot just offer general statements which are mere conclusions of law than factual evidence of possession.¹⁷ Moreso, Antonio

¹⁶ *Heirs of Delfin and Maria Tappa v. Heirs of Jose Bacud, Henry Calabazon and Vicente Malupeng*, G.R. No. 187633, April 4, 2016.

¹⁷ *Republic of the Philippines v. Carrasco*, 539 Phil. 205, 216 (2006).

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was not even called to the witness stand to testify on the contents of his Affidavit of Ownership, thus, making the affidavit hearsay evidence and its probative value questionable. Accordingly, this affidavit must be excluded from the judicial proceedings being inadmissible hearsay evidence.

Furthermore, the said affidavit was executed by Antonio only a day before the subject parcel of land was sold to the petitioners.¹⁸ The trial court should have considered this in evaluating the value of the said affidavit in relation to the ownership of the subject parcel of land. The trial court's reliance on the Affidavit of Ownership executed by Antonio that the entire Lot No. 1633 was co-owned by Felipe and his siblings, Eladia, Estanislao, Maria, Severino and Tomasa is misplaced, considering that nothing on record shows the relationship between Felipe and his supposed legal heirs. It also indicates the fact that there is no evidence showing Felipe predeceasing all his supposed siblings.¹⁹ Moreover, no other piece of evidence was ever presented to prove that Lot No. 1633 was ever subdivided. In fact, the petitioners admitted that the subject lot has always been declared for taxation purposes in the name of Felipe and that the Spouses Ballesteros or the siblings of Felipe have never declared the same for taxation purposes in their names.

While the petitioners submitted official receipts and tax declarations to prove payment of taxes, nowhere in the evidence was it shown that Spouses Ballesteros declared the subject parcel of land in their name for taxation purposes or paid taxes due thereon. True, a tax declaration by itself is not sufficient to prove ownership. Nonetheless, it may serve as sufficient basis for inferring possession.²⁰ In fact, what the petitioners presented as their pieces of evidence are receipts and tax declarations which they, as the new owners of the subject parcel of land, have paid. Thus, the petitioners could not also rely on these tax declarations and receipts because those are of recent vintage and do not reflect the fact that their predecessors-in-interest have been paying realty taxes for the subject parcel of land.

Be that as it may, the rights of the respondents as owners of Lot No. 1633 were never alienated from them despite the sale of the subject parcel of land by the Spouses Ballesteros to the petitioners nor does the fact that the petitioners succeeded in paying the real property taxes of the subject parcel of land. Besides, it seems that the petitioners knew of the fact that they did not have a title to the subject parcel of land and could not, therefore, have validly registered the same, because of the respondents' possession of the entire property.

¹⁸ *Rollo*, pp. 235-236.

¹⁹ *Id.* at 238.

²⁰ *Republic of the Philippines v. Carrasco*, *supra* note 17.

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The respondents also presented the following pieces of evidence: (1) old certified photocopies of declarations of real property and original copy of tax receipts from year 1921 to 1944 in the name of Felipe, covering payments by the latter for Lot No. 1633 from which the subject parcel of land was taken;²¹ (2) original copy of tax receipts from year 1961 to year 1989 in the name of the respondents' father Paterno, covering payments by the latter for Lot No. 1633;²² (3) original copy of tax receipt dated July 21, 2004 in the name of Isagani, covering payments by the latter for Lot No. 1633;²³ (4) original copy of the Certification issued by the Municipal Treasurer of Sarrat, Ilocos Norte that Lot No. 1633 covered by Tax Declaration No. 03-001-00271 declared in the name of Felipe is not delinquent in the payment of realty taxes.²⁴

Although tax declarations or realty tax payment of property are not conclusive evidence of ownership, as in the instant case, they are good indicia of possession in the concept of owner, for no one in his right mind would be paying taxes for a property that is not in his actual or constructive possession.²⁵ They constitute evidence of great weight in support of the claim of title of ownership by prescription when considered with the actual possession of the property by the applicant.²⁶

Indeed, the respondents' presentation of the tax declarations and tax receipts which all are of ancient era indicates possession in the concept of an owner by the respondents and their predecessors-in-interests. The tax declarations in the name of Paterno take on great significance because the respondents can tack their claim of ownership to that of their father. It is worthy to note that the respondents' father Paterno to whom they inherited the entire Lot No. 1633 paid the taxes due under his name from 1961 to 1989; and subsequently, the respondents paid the taxes due after the death of Paterno in 2003.²⁷ Granting without admitting that Felipe's possession of Lot No. 1633 cannot be tacked with the respondents' possession, the latter's possession can be tacked with that of Paterno. Thus, from 1961 to the time of the filing of the quieting of title by the petitioners in 2003, the respondents have been in possession of the entire Lot No. 1633 in the concept of an owner for almost 42 years. This period of time is sufficient to vest extraordinary acquisitive prescription over the property on the respondents. As such, it is immaterial now whether the respondents possessed the property in good faith or not.

²¹ Records, pp. 136-152.

²² Id. at 153-160.

²³ Id. at 161.

²⁴ Id. at 162.

²⁵ *Larena v. Mapili*, 455 Phil. 944, 953 (2003).

²⁶ *Borillo v. Court of Appeals*, 284-A Phil. 576, 594 (1992).

²⁷ Records, pp. 153-162.

Admittedly, the respondents built their house at the western portion of Lot No. 1633, and Isagani has declared that the eastern part was their family's garden. Thus, it was fenced with bamboo and was planted with banana trees and different vegetables. Clearly, there is no doubt that the respondents did not only pay the taxes due for the whole Lot No. 1633, in which the eastern portion is a part, but rather, the respondents were able to prove that they have possession of the whole lot.

While the findings of the CA that the petitioners were a buyer in bad faith is in accord with the evidence on record, it must be pointed out, however, that they overlooked the fact that Lot No. 1633 is an unregistered piece of land. The Court had already ruled that the issue of good faith or bad faith of a buyer is relevant only where the subject of the sale is a registered land but not where the property is an unregistered land. One who purchases an unregistered land does so at his peril. His claim of having bought the land in good faith, *i.e.* without notice that some other person has a right to, or interest in, the property, would not protect him if it turns out that the seller does not actually own the property.²⁸ All the same, the application of this doctrine will not affect the outcome of this case.

Obviously, the petitioners cannot benefit from the deed of sale of the subject parcel of land, executed by the Spouses Ballesteros in their favor, to support their claim of possession in good faith and with just title. The Court noted that in Filomena's testimony, she even admitted that the respondents own the bigger portion of Lot No. 1633.²⁹ Thus, it is clear that the petitioners chose to close their eyes to facts which should have put a reasonable man on his guard. The petitioners failed to ascertain whether the Spouses Ballesteros were the lawful owner of the subject parcel of land being sold. Far from being prudent, the petitioners placed full faith on the Affidavit of Ownership that Antonio executed. Hence, when the subject parcel of land was bought by the petitioners, they merely stepped into the shoes of the Spouses Ballesteros and acquired whatever rights and obligations appertain thereto.

It is also worthy to note of the respondents' reaction when the petitioners tried to construct a house in the subject parcel of land in 2002. Upon learning that a house was being built on the eastern portion of Lot No. 1633, the respondents went to the barangay to file a complaint.³⁰ Clearly, this indicates the respondents' vigilance to protect their property. The Court also notes that in the respondent's possession of the entire Lot No. 1633 for almost 42 years, there was no instance during this time that the petitioners or their predecessors-in-interest, for that matter, questioned the respondents' right over Lot No. 1633.

²⁸ *Rural Bank of Siaton (Negros Oriental), Inc. v. Macajilos*, 527 Phil. 456, 471 (2006).

²⁹ TSN, October 6, 2004, p. 11.

³⁰ *Id.* at 91-92.

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From the foregoing disquisitions, it is clear that the petitioners were not able to prove equitable title or ownership over the subject parcel of land. Except for their claim that they merely purchased the same from the Spouses Ballesteros, the petitioners presented no other justification to disprove the ownership of the respondents. Since the Spouses Ballesteros had no right to sell the subject parcel of land, the petitioners cannot be deemed to have been the lawful owners of the same.

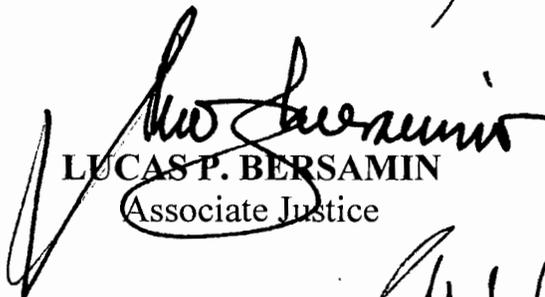
WHEREFORE, the petition is **DENIED**. The Decision dated July 17, 2007 and the Resolution dated January 29, 2008 of the Court of Appeals in CA-G.R. CV No. 87021 are **AFFIRMED**.

SO ORDERED.

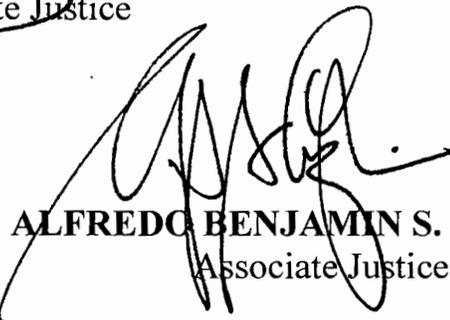

BIENVENIDO L. REYES
Associate Justice

WE CONCUR:


PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson


LUCAS P. BERSAMIN
Associate Justice


FRANCIS H. JARDELEZA
Associate Justice


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

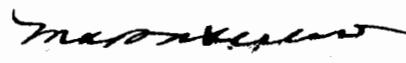
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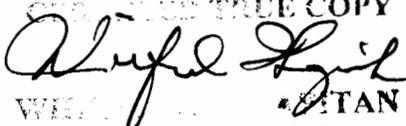
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


MARIA LOURDES P. A. SERENO
Chief Justice

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