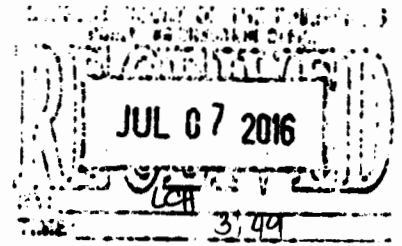




Republic of the Philippines
Supreme Court
 Manila



FIRST DIVISION

**HEIRS OF JOSE
 EXTREMADURA, represented by
 ELENA H. EXTREMADURA,**
 Petitioners,

G.R. No. 211065

Present:

SERENO, C.J., Chairperson,
 LEONARDO-DE CASTRO,
 BERSAMIN,
 PERLAS-BERNABE, and
 CAGUIOA, JJ.

- versus -

**MANUEL EXTREMADURA and
 MARLON EXTREMADURA,¹**
 Respondents.

Promulgated:

JUN 15 2016

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DECISION

PERLAS -BERNABE, J.:

Assailed in this petition for review on *certiorari*² are the Decision³ dated September 24, 2013 and the Resolution⁴ dated December 12, 2013 of the Court of Appeals (CA) in CA-G.R. CV No. 99082, which reversed the Decision⁵ dated November 23, 2011 of the Regional Trial Court of Sorsogon City, Branch 52 (RTC) in Civil Case No. 2005-7552 declaring Jose Extremadura (Jose) as the rightful owner of the land occupied by respondents Manuel and Marlon Extremadura (respondents).

¹ Mentioned as “Manuel Estremadura and Marlon Estremadura” in some parts of the records.

² *Rollo*, pp. 11-29.

³ *Id.* at 35-43. Penned by Associate Justice Jose C. Reyes, Jr. with Associate Justices Mario V. Lopez and Socorro B. Inting concurring.

⁴ *Id.* at 45.

⁵ *CA rollo*, pp. 35-41. Penned by Presiding Judge Victor C. Gella.

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The Facts

Jose, now deceased,⁶ filed Civil Case No. 2005-7552 for quieting of title with recovery of possession, rendition of accounting, and damages,⁷ against his brother, Manuel Extremadura (Manuel), and his nephew, Marlon Extremadura (Marlon), claiming that he (Jose) purchased three (3) parcels of agricultural land located in Sitio Ponong, Barrio Rizal, Casiguran, Sorsogon from his aunt, Corazon S. Extremadura (Corazon), the widow of his uncle, Alfredo H. Extremadura (Alfredo), through a Deed of Absolute Sale dated December 18, 1984.⁸ Since Jose resided in Manila, he placed one parcel, with an area of 3.4945 square meters (subject land), in Manuel's care, in exchange for which, the latter and his son, Marlon, religiously delivered the produce of said land from 1984 until 1995. Unfortunately, respondents (Manuel and Marlon) continuously refused to deliver the produce of the land or vacate the same despite his repeated demands;⁹ hence, the complaint.

In their defense,¹⁰ respondents averred that they have been in open, continuous, peaceful, adverse, and uninterrupted possession of the subject land, where their residential house stands, and in the concept of owner for almost fifty (50) years; thus, Jose's action was already barred by prescription or *laches*. They further claimed that the fact that they gave Jose portions of the land's produce was merely in keeping with the Filipino culture of sharing blessings with siblings and relatives. Also, they argued that the deed of absolute sale presented by Jose is not the legal or beneficial title contemplated by Article 476¹¹ of the Civil Code.¹²

The RTC Ruling

In a Decision¹³ dated November 23, 2011, the RTC rendered judgment declaring Jose as the owner of the subject land, and thereby directed respondents to immediately relinquish and surrender possession thereof to the former.¹⁴ It ruled that Jose had a better right over the land as proven by the deed of absolute sale executed in his favor, which was notarized and, therefore, enjoys the presumption of regularity. Respondents, on the other hand, were declared to have failed to substantiate their claim,

⁶ See Certificate of Death, records, p. 115.

⁷ See Complaint dated June 2, 2005; id. at 1-3.

⁸ Id. at 4-5.

⁹ See id. at 1. See also *rollo*, p. 36.

¹⁰ See Answer dated July 18, 2005; records, pp. 12-17.

¹¹ Art. 476. Whenever there is a cloud title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title.

An action may also be brought to prevent a cloud from being cast upon title to real property or any interest therein.

¹² See records, pp. 13-15. See also *rollo*, p. 37.

¹³ CA *rollo*, pp. 35-41.

¹⁴ Id. at 41.

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finding, among others, that their possession was not in the concept of an owner.¹⁵

Aggrieved, respondents elevated their case on appeal¹⁶ before the CA.

The CA Ruling

In a Decision¹⁷ dated September 24, 2013, the CA granted respondents' appeal and, thus, dismissed Civil Case No. 2005-7552.¹⁸ It held that Jose failed to establish legal and equitable title over the subject land, observing that the notarized deed of sale executed in Jose's favor did not transfer the land's ownership to him given that he was never placed in possession and control thereof. Moreover, having found that the subject land was not in the possession of the alleged vendor, Corazon, the CA debunked Jose's claim that he is a buyer in good faith, charging him of failing to probe the rights of the actual possessors of the land and to clarify the true nature of the latter's possession before purchasing the same.¹⁹

The motion for reconsideration²⁰ filed by the heirs of Jose, represented by Elena Extremadura (petitioners), was denied by the CA in a Resolution²¹ dated December 12, 2013 for lack of merit; hence, the instant petition.

The Issue Before the Court

The issue for the Court's resolution is whether or not the CA correctly dismissed Civil Case No. 2005-7552 filed by Jose.

The Court's Ruling

The petition is impressed with merit.

In order for an action for quieting of title to prosper, it is essential that the plaintiff must have legal or equitable title to, or interest in, the property which is the subject matter of the action. Legal title denotes registered ownership, while equitable title means beneficial ownership.²² In the case of *Mananquil v. Moico*,²³ the Court expounded that:

¹⁵ See *id.* at 39-41.

¹⁶ See Notice of Appeal dated December 7, 2011; records, pp. 138-139.

¹⁷ *Rollo*, pp. 35-43.

¹⁸ *Id.* at 42.

¹⁹ See *id.* at 40-42.

²⁰ Dated October 23, 2013. *CA rollo*, pp. 93-100.

²¹ *Rollo*, p. 45.

²² *Mananquil v. Moico*, 699 Phil. 120, 122 (2012).

²³ *Id.*

An action for quieting of title is essentially a common law remedy grounded on equity. The competent court is tasked to determine the respective rights of the complainant and other claimants, not only to place things in their proper place, to make the one who has no rights to said immovable respect and not disturb the other, but also for the benefit of both, so that he who has the right would see every cloud of doubt over the property dissipated, and he could afterwards without fear introduce the improvements he may desire, to use, and even to abuse the property as he deems best. But “for an action to quiet title to prosper, two indispensable requisites must concur, 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.”²⁴

Contrary to the position taken by the CA, the Court finds that Jose satisfactorily established his equitable title over the subject land entitling him – and now, petitioners as his successors-in-interest – to the removal of the cloud or doubt thereon, particularly, the claim of respondents that they are the owners thereof.

Based on jurisprudence, equitable title has been defined as “[a] title derived through a valid contract or relation, and based on recognized equitable principles; the right in the party, to whom it belongs, to have the legal title transferred to him. x x x. In order that a plaintiff may draw to himself an equitable title, he must show that the one from whom he derives his right had himself a right to transfer. x x x.”²⁵

In this case, Jose’s title to the subject land was derived through a contract of sale, as evidenced by a notarized document denominated as Deed of Absolute Sale²⁶ dated December 18, 1984, whereby the previous owner/s, Corazon, the widow of Alfredo, transferred the subject land and two (2) other adjoining parcels to Jose for and in consideration of ₱6,000.00, for which Jose duly paid²⁷ the required capital gains tax. That Corazon had the right to transfer the land by virtue of her ownership thereof was clearly established during the trial. As Manuel himself admitted:

Q: You say, you were borne (*sic*) on that land. **When you grew up who were the persons the one occupying that land to be considered you as owner (*sic*)?**

A: My uncle and auntie.

Q: Can you name them?

A: Alfredo Extremadura and Trinidad²⁸ [Corazon] Extremadura.²⁹

²⁴ Id. at 126-127; citation omitted.

²⁵ *PVC Investment & Mgt. Corporation v. Borcena*, 507 Phil. 668, 681 (2005), citing Ballantine’s Law Dictionary, 2nd Ed., pp. 441-442.

²⁶ Records, pp. 4-5.

²⁷ See Documentary Stamp Tax/Return; id. at 49.

²⁸ This appears to be a typographical error. During the pre-trial, the identity of Corazon Extremadura as the wife of the late Alfredo Extremadura was admitted. See records, p. 38.

²⁹ Transcript of Stenographic Notes (TSN) dated September 25, 2008, p. 4; emphases and underscoring supplied.

x x x x

Q: Now, as the former owners of that property were your uncle and aunts (*sic*), Alfredo Extremadura and his wife, Trinidad [Corazon] Extremadura, what did they do or in what mode did they transferred (*sic*) that property to you?

x x x x

A: I lived in that property.

x x x x

Q: And, you were saying that they did not sell to you, donate it to you or that they executed any document to transfer ownership of that property to you?

x x x x

A: None, Your Honor.

x x x x

Q: You said, your uncle and aunt are the owners of that property, despite that, did you pay the taxes thereto?

A: Yes, sir.

Q: In whose name was the taxes named?

A: In the name of Alfredo Extremadura and his wife, Trinidad [Corazon] Extremadura.

x x x x

Q: Why was it in the name of Alfredo Extremadura?

A: The payment of taxes was in the name of Alfredo Extremadura because he is the owner of the property, the husband and wife.

x x x x

Q: Up to when Alfredo Extremadura was the owner of that property?

A: When he was still alive.³⁰

While the CA did not express any misgivings on the existence and execution of the deed of sale in Jose's favor, it nonetheless found that "despite the notarized Deed of Absolute Sale x x x, this [did] not constitute constructive delivery, as to affect the transfer of ownership from the seller to the buyer."³¹

The CA is mistaken.

³⁰ Id. at 10-15; emphasis supplied.

³¹ *Rollo*, p. 41.

Article 1477 of the Civil Code recognizes that the “ownership of the thing sold shall be transferred to the vendee upon the actual or constructive delivery thereof.” Related to this article is Article 1497 of the same Code which provides that “[t]he thing sold shall be understood as delivered, when it is placed in the control and possession of the vendee.”³²

Article 1498 of the Civil Code lays down the general rule that the execution of a public instrument “shall be equivalent to the delivery of the thing which is the object of the contract, if from the deed the contrary does not appear or cannot clearly be inferred.” However, the execution of a public instrument gives rise only to a *prima facie* presumption of delivery, which is negated by the failure of the vendee to take actual possession of the land sold. A person who does not have actual possession of the thing sold cannot transfer constructive possession by the execution and delivery of a public instrument.³³

In this case, the *prima facie* presumption of constructive delivery to Jose was not successfully negated by proof that the subject land was not actually placed in the latter’s control and possession. Primarily, it should be stressed that “**[p]ossession is acquired by the material occupation of a thing or the exercise of a right, or by the fact that it is subject to the action of our will, or by the proper acts and legal formalities established for acquiring such right.**”³⁴ Jose exercised possession of the subject land **through Manuel (and eventually, his son, Marlon)** whom he allowed to stay and care for the land in exchange for the delivery of the produce thereof. Article 524 of the Civil Code states:

Art. 524. Possession may be exercised in one’s own name or in that of another.

In this relation, case law teaches that “[i]t is not necessary that the owner of a parcel of land should himself occupy the property as someone in his name may perform the act. In other words, the owner of real estate has possession, either when he himself is physically in occupation of the property, or when another person who recognizes his rights as owner is in such occupancy,”³⁵ as the parties in this case.

Notably, the fact that respondents delivered the produce of the land to Jose, which Manuel admitted in open court, can only be construed as his recognition of Jose’s ownership of the land despite his tenuous claim that he merely did so because Jose is his brother, thus:

³² *Santiago v. Villamor*, 699 Phil. 297, 304 (2012).

³³ *Id.* at 304-305; citations omitted.

³⁴ Article 531 of the Civil Code; emphasis and underscoring supplied.

³⁵ *Piedad v. Gurieza*, G.R. No. 207525, June 18, 2014, 727 SCRA 71, 77-78; citation omitted.

ATTY. DE ALBAN:

Q: According to the plaintiff, he owns this land and that you were delivering products to him since 1984 to 1995?

A: I was giving him products being my brother, sir.

x x x x

Q: And you said that you have been giving him products because he is your brother. How many times, if you can recall, that you have been giving him?

A: Whenever he comes home from Manila, I gave him products, sir.

Q: What did you give him?

A: Products and sometimes, chicken.

COURT:

Q: In kind?

A: Yes, Your Honor.

x x x x

ATTY. DE ALBAN:

x x x x

Q: Were there instances while your brother was in Manila that you also send him some products?

A: Yes, sir.

Q: Through whom?

A: I gave him personally.

Q: What I mean, where did you give him?

A: Here in Ponong, sir.

Q: When he comes here?

A: Yes, sir because I never went to Manila.

Q: There were instances that you sent him products through other people?

A: Yes, sir.³⁶

Not only did Jose exercise his right as owner of the subject land by receiving the fruits thereof, he likewise performed his duties by paying taxes therefor, evidence of which he presented in court during trial.³⁷ “Although tax declarations or realty tax payments of property are not conclusive evidence of ownership, nevertheless, 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 at least constructive possession. They constitute at least proof that the holder has a claim of title over the property. The voluntary declaration of a piece of property for taxation purposes manifests not only one’s sincere and honest desire to obtain title to the property and announces his adverse claim against the State and all other

³⁶ TSN dated July 31, 2008 pp. 5-8.

³⁷ See Exhibits B, G, G-1, and G-2; records, pp. 45 and 50-52.

interested parties, but also the intention to contribute needed revenues to the Government. Such an act strengthens one's *bona fide* claim of acquisition of ownership."³⁸

On the other hand, Manuel merely claimed that he paid taxes on the land but he never presented proof of the alleged payments. In addition, the weakness of his case is further exposed by his faulty supposition that he has become the owner of the land only because he was born on the same and had lived thereon.

Q: You said, you are a brother of Jose Extremadura, is that correct?

A: Yes, sir.

Q: You also stated, that you are the owner of the subject property, is that also correct?

A: Yes, sir.

Q: How did you acquire that property?

A: Because I lived in that property and I was borned (*sic*) in that property.

Q: Now, by living in that property and by being borne (*sic*) in that property, you believed you can (*sic*) acquired the ownership of that land?

A: Yes, sir.³⁹

x x x x

COURT:

Q: You said, you were the owner after the death of Alfredo Extremadura, **what would you show to the Court to prove that the land was transferred to you or that you inherited the land or it was donated to you or was given to you by the spouses, Alfredo and Trinidad [Corazon] Extremadura?**

Q: That is a very simple question?

A: **Because I live there, Your Honor.**⁴⁰

Thus, by sheer preponderance of evidence, the Court concludes that Jose – not only through the execution of the Deed of Absolute Sale in his favor, but also as evinced by his exercise of the rights and obligations as owner thereof – was able to prove his title over the subject land. Therefore, the action for quieting of title in Civil Case No. 2005-7552 should prosper to the benefit of his heirs, herein petitioners.

WHEREFORE, the petition is **GRANTED**. The Decision dated September 24, 2013 and the Resolution dated December 12, 2013 of the Court of Appeals in CA-G.R. CV No. 99082 are hereby **REVERSED** and

³⁸ *Republic of the Philippines v. CA*, 328 Phil. 238, 248 (1996).


³⁹ TSN dated September 25, 2008, pp. 3-4; emphases and underscoring supplied.

⁴⁰ *Id.* at 17-18; emphases and underscoring supplied.


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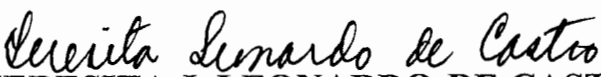
SET ASIDE. Accordingly, the Decision dated November 23, 2011 of the Regional Trial Court of Sorsogon City, Branch 52 in Civil Case No. 2005-7552 is **REINSTATED.**


SO ORDERED.

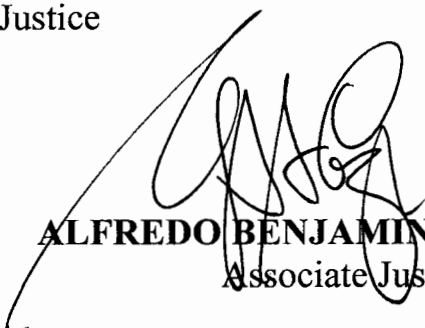

ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson

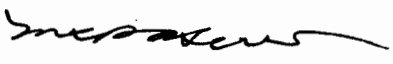

TERESITA J. LEONARDO-DE CASTRO
Associate Justice


LUCAS P. BERSAMIN
Associate Justice


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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