



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

ILOCOS NORTE ELECTRIC
COOPERATIVE,

Petitioner,

-versus-

CYNTHIA GERTRUDES
ANDRES-RANJO, ELMA
ANDRES MARAÑON,
REPRESENTED BY HER
HUSBAND, WILLIAM G.
MARAÑON,

Respondents.

G.R. No. 200544

Present:

LEONEN, *SAJ.*,
Chairperson,
LAZARO-JAVIER,
LOPEZ, M.,
LOPEZ, J., *and*
KHO, JR., *JJ.*

Promulgated:

AUG 17 2022

X-----X

DECISION

LOPEZ, M., *J.*:

In their petition for *certiorari* under Rule 45, Ilocos Norte Electric Cooperative (INEC) assails the Court of Appeals' (CA) July 21, 2011

Decision¹ and February 3, 2012 Resolution,² which upheld the Regional Trial Court (RTC), Laoag City, Branch 15's March 28, 2008 Decision³ declaring respondents Cynthia Gertrudes Andres-Ranjo and Elma Andres Marañon to be the owners of two-thirds (2/3) of the southeastern portion of Lot No. 23315.

ANTECEDENTS

This case originated from a complaint⁴ for Ownership with Injunction (*Civil Case No. 10140-15*) filed by Delfino Andres (Delfino) on October 12, 1992, against Concepcion Segundo (Concepcion) and INEC before RTC Branch 15.⁵ He prayed for the issuance of a restraining order and eventually a writ of preliminary mandatory injunction against INEC, a declaration that he is the lawful owner of the land, and the payment of actual and exemplary damages and attorney's fees.⁶

In his complaint, Delfino alleged that he purchased the subject 10,000 square meter (sq.m.) land from Felipa Segundo Ruiz (Felipa), evidenced by a Deed of Sale⁷ dated July 25, 1957. The subject property is situated on the southeastern portion of Lot No. 23315, which has a total area of 139,787 sq.m., more or less. Lot No. 23315 was owned in common by Nemesio Segundo (Nemesio), Francisca Segundo, heirs of Donata Segundo, and heirs of Luciano Segundo, one of whom is Felipa.⁸

Delfino possessed the subject property until INEC placed sand, gravel, and other building materials to convert it into residential and/or commercial land.⁹

For her part, Concepcion insisted that Delfino never became the owner of the subject property.¹⁰ She narrated that her husband, Nemesio, owns an undivided one-half portion of Lot No. 23315. Meanwhile, the other half belongs to two (2) other persons.¹¹ After Nemesio's death, she became the sole owner of her husband's share. Then, she sold the 8,000 sq.m. portion of her share¹² to INEC on May 27, 1991.¹³ INEC confirmed Concepcion's allegations and maintained that it purchased the subject property from

¹ *Rollo*, pp. 39-58. Decision penned by Associate Justice Mariflor P. Punzalan Castillo and concurred in by Associate Justices Josefina Guevarra-Salonga and Franchito N. Diamante.

² *Id.* at 61-63. Resolution penned by Associate Justice Mariflor P. Punzalan Castillo and concurred in by Associate Justices Josefina Guevarra-Salonga and Franchito N. Diamante.

³ Records, pp. 509-516.

⁴ *Id.* at 1-5.

⁵ *Rollo*, p. 8.

⁶ Records, p. 4.

⁷ *Id.* at 155-156.

⁸ See Pre-Trial Order. *Id.* at 196-199.

⁹ *Id.* at 2.

¹⁰ *Id.* at 26.

¹¹ During pre-trial Delfino, Concepcion, and INEC stipulated that Lot No. 23315 consists of 43,078.23 sq.m. See *Id.* 197.

¹² During pre-trial the parties stipulated that the land sold to INEC measures 7,645 sq.m. However, the deed of sale between Concepcion and INEC describes an 8,700 sq.m. property. See *Id.* at 197 & 232.

¹³ See Deed of Adjudication and Absolute Sale. *Id.* at 231-232.

Concepcion in good faith. INEC added that its land differs from the land described in Delfino's complaint.¹⁴

A Board of Commissioners (Board) was created to determine the metes and bounds of the lands claimed by the parties. The Board engaged the services of Geodetic Engineer Florencio C. Gamiao (Engineer Gamiao) to survey the lot.¹⁵ On April 23, 1994, Engineer Gamiao and the parties went to the subject property (*first ocular inspection*). Engineer Gamiao noted that the descriptions of the properties in the complaint and Deed of Absolute Sale in favor of INEC are defective or erroneous:

<u>IN THE COMPLAINT</u>	:	<u>IN THE DEED OF ABSOLUTE SALE EXECUTED IN FAVOR OF INEC</u>
Southeastern portion of Lot 23315 of Laoag Cadastre	:	
North part of Lot 23315	:	North Irrigation Ditch
East Provincial Road and Lot 23841	:	East Lot 23848 and Provincial Road
South Provincial Road	:	South Southernmost portion of Lot 23315
West Lots 23293, 23500 & 23228	:	West Lot 23315

On the basis of the above descriptions, both have defective or erroneous descriptions.

Boundary on the North Part of Lot 23315 and Irrigation Ditch are the same because the Irrigation Ditch is inside Lot 23315; on the East both have Provincial Road. Lot 23841 is far from the land is [*sic*] suit as aforesaid while Lot 23848 is not a boundary of the land in suit because there is an Irrigation Ditch between Lots 23315 and 23848, that is, the Irrigation Ditch is East of Lot 23315, or West of Lot 23848. On the South, both are wrong (Provincial Road and southernmost portion of Lot 23315). The Provincial Road is a boundary of Lot 23315 on the Southeast; Southernmost portion of Lot 23315 would be a portion not sold or claim[ed] by INEC, Inc. On the West, the boundary again are both erroneous. Lots 23293, 23500[,] and 23228 are boundary Lots of Lot 23315 on the West (for the Plaintiff): while for the defendants, Lot 23315 is already west of the land in suit, when in truth the land is [*sic*] suit is a part of Lot 23315.¹⁶

On November 15, 1993, Engineer Gamiao conducted another ocular inspection to ascertain where is the land in suit (*second ocular inspection*). He called the parties to point out the extent of their respective claims. The parties identified the same portions of Lot No. 23315, so Engineer Gamiao concluded that they were claiming the same parcel of land.¹⁷

¹⁴ Id. at 22.

¹⁵ Id. at 114.

¹⁶ Id. at 168-169.

¹⁷ Id. at 110-112.

On March 7, 1994, Delfino died, and he was substituted by his son, Neil Benjamin Andres (Neil).¹⁸ Claiming to be Delfino's sole heir, Neil entered into a compromise agreement with INEC on December 21, 1998, pending his motion for substitution.¹⁹

1999 RTC Br. 15 Order

On January 26, 1999, Neil and INEC filed a joint motion to admit the compromise agreement.²⁰ RTC Branch 15 approved the motion and issued an order based on the compromise agreement (***1999 RTC Br. 15 Order***) on January 28, 1999. The dispositive portion of the decision reads:

This Court finds the compromise agreement not contrary to law, morals, public order and public policy. Consequently, the same is hereby APPROVED and the parties are enjoined to faithfully comply with the terms and conditions thereon.

As a consequence of the compromise agreement, this case is considered terminated.

SO ORDERED.²¹

Annulment of 1999 RTC Br. 15 Order

Two years later, or on February 15, 2001, respondents Cynthia Gertrudes Andres-Ranjo and Elma Andres Marañon (Andres sisters) filed a petition²² seeking the annulment of the ***1999 RTC Br. 15 Order*** with the CA. As the legally adopted children of Delfino, the Andres sisters vehemently protested that the compromise agreement would deprive them of their share in the property.²³ On November 20, 2001, the CA granted the petition and annulled the ***1999 RTC Br. 15 Order***, thus:

WHEREFORE, premises considered, the present petition is hereby GIVEN DUE COURSE and accordingly GRANTED. The *Order* dated January 28, 1999 approving the *Compromise Agreement in Civil Case No. 10140-15* is hereby ANNULLED and SET ASIDE.

Respondent Judge is hereby ORDERED to try and hear with utmost dispatch the said *Civil Case No. 10140-15* as if a timely motion for new trial by the petitioners had been granted therein.

No pronouncement as to costs.

SO ORDERED.²⁴

¹⁸ *Rollo*, p. 73.

¹⁹ Records, pp 328-330.

²⁰ *Rollo*, p. 73-74.

²¹ Records, p. 475.

²² Id. at 393-399.

²³ Id. at 397.

²⁴ Id. at 478-479.

The CA's decision became final and executory on February 26, 2002.²⁵

Remand of Civil Case No. 10140-15 to RTC Br. 15

On February 24, 2003, Andres sisters filed a complaint-in-intervention²⁶ in *Civil Case No. 10140-15* with the RTC Branch 15, praying for the award of two-thirds (2/3) of the subject property, among others.²⁷ In her answer, Concepcion reiterated that she had already sold her portion of the property to INEC. Thus, Andres sisters do not have a cause of action against her.²⁸ Meanwhile, Neil and INEC failed to file their respective answers. Andres sisters presented their evidence *ex parte*.²⁹

2008 RTC BR. 15 ORDER

On March 28, 2008, RTC Branch 15 rendered a decision³⁰ in favor of Andres sisters. The RTC merely discussed the facts of the case and upheld the CA's findings that Andres sisters are Delfino's adopted daughters. It failed to cite the laws and jurisprudence supporting Andres sisters' right over the subject property. The dispositive portion of the RTC's decision provides:

WHEREFORE, premises considered, the plaintiffs intervenors CYNTHIA GERTRUDES ANDRES RANJ[O] and ELMA ANDRES MARANON are hereby declared lawful owners by succession to two thirds (2/3) of the SOUTHER[N] PORTION CONSISTING OF 10,000 SQUARE METERS OF LOT NO. 23315 OF THE LAOAG CADASTRE [the property in suit]. Defendants are likewise ordered to pay plaintiffs-intervenors the sum of [P20,000.00] as attorney's fee and the costs of suit.

*SO ORDERED.*³¹

COURT OF APPEALS RULING

On appeal with the CA, INEC argued that the RTC had no factual and legal reasons to support its findings that Andres sisters own two-thirds (2/3) of the subject property.³² Acting on the appeal, the CA found that the parties were not certain regarding the specific metes and bounds of their respective properties:

In Delfino's complaint, the description of the disputed land is as follows:

"An irrigated riceland which is the southeastern portion of Lot No. 23315 of the Laoag Cadastre located in Brgy. #23, San Matias, Laoag City, bounded on the North by a part of

²⁵ See Entry of Judgment, *Id.* at 472.

²⁶ *Id.* at 375-382.

²⁷ *Id.* at 381.

²⁸ *Id.* at 409-410.

²⁹ *Id.* at 513-514.

³⁰ *Id.* at 509-516.

³¹ *Id.* at 516.

³² *CA rollo*, pp. 39-41.

Lot No. 23315; on the East by a provincial road and and [sic] Lot No. 23841 of the Laoag Cadastre; on the South by a Provincial Road; and on the West by Lot Nos. 23293, 23500 and 23228, all of the Laoag Cadastre, with an area of 10,000 square meters, more or less, assessed for the current year at [P]17,200.00 under Tax Declaration No. 23-503.

On the other hand, the Deed of Adjudication and Absolute Sale executed by Concepcion in favor of INEC describes the object of their sale as follows:

“Bounded on the North by Irrigation Ditch; on the East by Lot #23848 and Provincial Road; on the South by Southern most portion of Lot #23315; and on the West by Lot # 23315 with an area of 8700 square meters more or less.”

It would appear from the foregoing descriptions and boundaries that the parcels of land described by the two deeds of sale are not identical. However, the Geodetic Engineer who conducted an ocular inspection of the disputed property together with the parties reported that the boundaries stated by the parties are erroneous x x x.³³

Nonetheless, the CA found that the parties claimed the same property. The CA observed:

Be that as it may, the parties appear to be in agreement that they are claiming the same property. that is, the land bought by Delfino from Felipa. In another ocular inspection earlier conducted by the geodetic engineer[,] together with the parties, he asked them to identify the specific area of the land they are respectively claiming. In response, they all pointed to the same parcel of land, that is, the southeastern portion of Lot 23315. In addition, Adriano Martin, a long-time tenant of Felipa Segundo, testified that he had been tilling the subject land since the time it was still owned by Felipa until the time it was acquired by Delfino. Martin further averred that it was this same land he was tilling that was claimed and possessed by INEC which started filling the area with gravel. In addition, Nicolas Domingo, the representative of Delfino, testified that he had been receiving the harvest of the subject land in behalf of the owners until 1991 when INEC suddenly claimed the same as its property. Even more telling is the joint compromise agreement entered into by INEC and Delfino's son, Benjamin Andres[,] wherein INEC agreed to pay Delfino [P]7,200,000.00 as purchase price for the subject property. To Our mind, this is already an acknowledgment on INEC's part that what it intended to acquire was the property owned by Delfino and, necessarily, that Delfino was the owner of the same. This can be the only logical conclusion that can be inferred from INEC's participation in the said compromise agreement. Therefore, INEC cannot now assume a different position by claiming that the land it bought from Concepcion is not the same land bought by Delfino from Felipa x x x.³⁴

Ultimately, the CA held that Delfino is the owner of the subject property. For one, the principle of *primus tempore, potior jure* applies because

³³ CA rollo, pp. 50-51.

³⁴ Rollo, pp. 52-53.

the rules on double sales under Article 1544 of the Civil Code are not applicable. Different vendors sold the subject property to different buyers. Consequently, Delfino's right as the first owner must be recognized.³⁵ For another, INEC already acknowledged Delfino's ownership over the subject property in the compromise agreement with Neil. INEC is estopped from claiming that it bought the subject property from Concepcion.³⁶

In a July 21, 2011 Decision, the CA modified the RTC's ruling to specify that the subject property is located at the southeastern portion of Lot No. 23315.³⁷ The CA also deleted the grant of attorney's fees and ruled in this wise:

WHEREFORE[,] in view of the foregoing, the instant APPEAL is PARYIALLY [sic] GRANTED. The Decision dated March 28, 2008 rendered by the Regional Trial Court of Laoag City, Branch 15, First Judicial Region, in Civil Case No. 10140-15 is hereby **MODIFIED** in that the portion awarded to the appellees is the southeastern portion of Lot No. 23315 and the award of attorney's fees is hereby **DELETED**.

SO ORDERED.³⁸

Dissatisfied, INEC moved for reconsideration on August 11, 2011. For the first time, it submitted a certified copy of a separate decision³⁹ issued by RTC Branch 14 on November 11, 2003, in *Cadastral Case No. 47-14* involving Lot No. 23315 (**2003 RTC Br. 14 Decision**) as the basis of its ownership, notwithstanding its availability before RTC Br. 15 issued a decision in 2008. The cadastral case was filed during the pre and post-World War II days. Two (2) of the claimants are INEC's predecessor in interest, Nemesio Segundo, and Andres sisters' father, Delfino Andres. In that case, INEC submitted its compromise agreement with Neil and the **1999 RTC Br. 15 Order**. However, INEC failed to inform RTC Br. 14 that the CA subsequently annulled the **1999 RTC Br. 15 Order**. Thereupon, RTC Branch 14 confirmed INEC's title over the 8,700 sq.m. southeastern portion of Lot No. 23315.⁴⁰ INEC argued that since the Andres sisters failed to question the **2003 RTC Br. 14 Decision** within one (1) year, following Section 32 of Presidential Decree (PD) No. 1529, its title had become incontrovertible.

On September 9, 2011, INEC also filed a motion for mediation with the CA.⁴¹ Andres sisters opposed the motion and intimated that they had already

³⁵ Id. at 55-56.

³⁶ Id. at 52-53.

³⁷ Id. at 54.

³⁸ Id. at 58.

³⁹ Id. at 64-68. The dispositive portion of the Decision reads:

WHEREFORE, judgment is hereby rendered confirming claimant Ilocos Norte Electric Cooperative, Inc.'s title over the southeastern portion of land containing an area of 8,700 sq. meters, more or less, part of the entire parcel of land covered by Lot No. 23315, situated in Laoag City, Brgy. 23, San Matias, in favor of said claimant Ilocos Norte Electric Cooperative, Inc.

Upon finality of judgment, let a decree of registration be issued to Ilocos Norte Electric Cooperative.

SO ORDERED.

⁴⁰ Id. at p. 68.

⁴¹ CA records, pp. 168-170.

tried to settle the matter extrajudicially pending the appeal with the CA, but INEC never made a counter offer. They also informed INEC that should the CA decide in their favor, they will no longer entertain any settlement proposal.⁴²

In a February 3, 2012 Resolution,⁴³ the CA denied INEC's motions for reconsideration and mediation because the issues raised were already discussed in the assailed decision. It is now too late for mediation. The CA did not resolve the issue of INEC's supposed registration of the subject land.

Hence, this recourse.

PARTIES' ARGUMENTS

INEC insists that it is the registered owner of the subject property based on the *2003 RTC Br. 14 Decision*. INEC reiterates that since Andres sisters failed to question the *2003 RTC Br. 14 Decision* within one year, its title had become incontrovertible.

Regarding the CA ruling that it recognized Delfino's ownership of the subject property, INEC avers that nowhere did it recognize in the Compromise Agreement that Delfino is the owner of the subject property. It was merely executed to "[put] an end to th[e] protracted litigation."⁴⁴ INEC also insists that the land claimed by both parties are different. Engineer Gamiao even reported that the boundaries specified by the parties in their pleadings are erroneous. INEC further claims that it is proper to consider the compromise agreement as a contract of sale where INEC purchased the property from Neil in good faith. Therefore, it was an error for the RTC and CA to award 2/3 of the southeastern part of Lot No. 23315 to Andres sisters.

In their Comment, Andres sisters insist that they are entitled to the 2/3 portion of the land.⁴⁵ They contend that the Land Registration Authority did not issue an Original Certificate of Title in favor of INEC. Hence, the land was not brought into the Torrens System of Land Registration.⁴⁶ They also point out that as early as November 20, 2001, the CA already annulled the *1999 RTC Br. 15 Order* approving the compromise agreement. As such, the *2003 RTC Br. 14 Decision* confirming INEC's title over the southeastern portion of Lot No. 23315 rests on the annulled *1999 RTC Br. 15 Order*.⁴⁷

ISSUES

⁴² Id. at 173-177.

⁴³ *Rolla*, pp. 61-63. Resolution penned by Associate Justice Mariflor P. Punzalan Castillo and concurred in by Associate Justices Josefina Guevarra-Salonga and Franchito N. Diamante.

⁴⁴ Id. at 20.

⁴⁵ Id. at 83.

⁴⁶ Id. at 79.

⁴⁷ Id. at 81.

To determine who among the parties has a better right over the subject property, the Court must resolve the following significant issues: (a) the identity of the subject property; (b) ownership of the subject property; and (c) the validity and effect of the compromise agreement.

RULING

We deny the petition.

This Court has emphasized that it is not a trier of facts. It will only entertain questions of law in petitions filed under Rule 45 of the Rules of Court. Absent any showing that the lower courts' findings are baseless or erroneous as to constitute palpable error or grave abuse of discretion, the Court will refrain from analyzing and weighing the evidence all over again.⁴⁸ Here, INEC raises questions of fact that are beyond the ambit of this Court's jurisdiction in a petition for review on *certiorari*. At any rate, we find no reason to disturb the CA and RTC's findings that Andres sisters are entitled to two-thirds (2/3) of the subject property.

The parties claim the same portion of Lot No. 23315

INEC's contention that the parcels of land claimed by the parties are different has no merit. Records show the parties agreed during the *second ocular inspection* that they are claiming the same property. Engineer Gamiao reported:

At this point, the undersigned called the attention of the Board of Commissioners particularly the representative of the contending parties to point to the undersigned the extent of their respective claims. First to be called is **Engr. Elpidio Flores, representing defendant Ilocos Norte Electric Cooperative, Inc. Engr. Elpidio Flores commanded one of their man [sic] to go around INEC's claim particularly in the western and northern sides as the eastern and southern sides are very visible and already identified.** On Sketch Plan, **the claim of the Ilocos Norte Electric Cooperative, Inc. is on the southeastern portion of Lot 23315.** But in order to fully identify what the defendant INEC, Inc. is claiming as the southeastern portion consists of three (3) parcels of land, these are: (1) Lot 23315-A, containing an area of 6,181 square meters located on the northern portion; (2) Lot 23315-B, containing an area of 499 meters located south of Lot 23315-A and an existing Road and an existing Irrigation Ditch on the northern side; and (3) Lot 23315-C, containing an area of 964 square meters located on the south portion.

Second to be called to point to the undersigned his claim is **Plaintiff's Attorney-in-Fact and representative, Mr. Nicolas Domingo. Mr. Domingo was asked also to go around the perimeter of his claim but answered that it is the same parcel of land claimed by the defendant, Ilocos Norte Cooperative, Inc.** Mr. Noe Segundo representing her defendant mother, Concepcion Segundo was asked also of her mother's

⁴⁸ See *Abobon v. Abobon*, 692 Phil. 530, 543 (2012) citing *FGU Insurance v. Court of Appeals*, 494 Phil. 342 (2005).

claim and said that it is the same, that is the same parcel of land as pointed by Engr. Elpidio Flores and Mr. Nicolas Domingo. In other words, the contending parties are claiming the same parcel of land.⁴⁹ (*Emphases supplied*)

The CA also correctly relied on the testimonies of Adriano Martin, who has been tilling the subject property since it was still owned by Felipa until it was sold to Delfino, and Nicolas Domingo who has been receiving the harvest in behalf of the owners until 1991 when INEC suddenly claimed the land as its property.⁵⁰

The records likewise reveal that **the properties claimed by the parties are both on the southeastern portion of Lot No. 23315.**⁵¹ **Delfino's complaint** described the subject property's location as the **"southeastern portion of Lot No. 23315."**⁵² This is confirmed by the **deed of sale between Delfino and Felipa**, which described the property as the **"portion on the southeaster[n] part of a bigger parcel of land known as Cadastral Lot No. 23315** of the Cadastral Survey of Laoag, Ilocos Norte."⁵³ Similarly, the **deed of sale between INEC and Concepcion** provided that Concepcion "do hereby **cede, transfer, and convey the Southeastern Portion of the above described property [Lot No. 23315] x x x.**"⁵⁴ Lastly, the parties agreed during pre-trial that **Felipa sold to Delfino a 10,000 sq. m. land on the southeastern portion of Lot No. 23315.**⁵⁵ Hence, it has been established that the parties are claiming the southeast portion of Lot No. 23315.

The Court also found that the **boundaries on the northern, eastern, and southeastern portions of the property are the same, thus:**

- a. *Delfino's complaint*: "An irrigated Riceland which is the southeastern portion of Lot No. 23315 of the Laoag Cadastre located in Brgy. #23, San Matias, Laoag City, **bounded on the North by a part of Lot No. 23315; on the East by a Provincial Road and Lot No. 23841** of the Laoag Cadastre x x x."⁵⁶
- b. *Geodetic Engineer's observation*: "Boundary **on the North Part of Lot 23315 and Irrigation Ditch** are the same because the **Irrigation Ditch is inside Lot 23315; on the East both have Provincial Road** x x x."⁵⁷
- c. *Deed of Sale between Delfino and Felipa*: "A parcel of irrigated Riceland situated at Baldias, Bo. No. 54, Laoag, Ilocos Norte, containing an area of 10,000 square meters, no more no less, **bounded on the North by Lot 23315 part; on the East by Provincial Road, Lot Nos. 23841 and others** x x x."⁵⁸

⁴⁹ Records, pp. 111-112.

⁵⁰ *Rollo*, pp. 51-54.

⁵¹ See records pp. 2, 155, 232, 111-112, & 196.

⁵² *Id.* at p. 2.

⁵³ *Id.* at p. 155.

⁵⁴ *Id.* at p. 232.

⁵⁵ *Id.* at p. 196.

⁵⁶ *Id.* at p. 2.

⁵⁷ *Id.* at p. 169.

⁵⁸ *Id.* at p. 155.

- d. *Deed of Sale between INEC and Concepcion and INEC's answer*: "A PARCEL OF LAND: **Bounded on the North by Irrigation Ditch; on the East by Lot # 23848 and Provincial Road; on the South by southern most portion of Lot # 23315; on the West by Lot # 23115 with an area of 8700 sq. m. more or less.**"⁵⁹

An examination of the records also confirms that **INEC's property is within Delfino's property:**

- a. *Geodetic Engineer's report*: "x x x on the **Southeast by the provincial Road to Vintar**; on the Southwest by lots whose numbers are already illegible; and on the northwest and Northeast, by Lot 23315-part."⁶⁰
- b. *Geodetic Engineer's observation*: "x x x **Lot 23841 is far from the land i[n] suit** as aforestated x x x. **On the South**, both are wrong (Provincial Road and Southernmost portion of Lot 23315). **The Provincial Road is a boundary of Lot 23315 on the Southeast; Southernmost portion of Lot 23315 would be a portion not sold or claim[ed] by INEC, Inc. On the West**, the boundar[ies] again are both erroneous. **Lots 2393, 23500 and 23228 are boundary Lots of Lot 23315 on the West** (for the Plaintiff); while for the defendants, Lot 23315 is already west of the land in suit, when in truth **the land in suit is a part of Lot 23315.**"⁶¹
- c. *Deed of Sale between Delfino and Felipa*: "on the **East by Provincial Road, Lot Nos. 23841 and others; on the South by Lot Nos. 23298, 23296, et. al.; on the Southeast by Provincial Road; and on the West by Lot Nos. 23299, 23300, 34228 et. al.**"⁶²
- d. *Nemesio's tax declaration covering Lot 23315*: Boundaries: North: Irrigation Canal, 23341, 23828, 23327, 23326, 23325, 23323, 23322, and 23840; **South: 23298, 23296, 30585, 31584, 31583, 31629, 23294, and Provincial Road; East: 23841, 23842, 29848, 23480, 23847; West: 23299, 23300, 34228, 23316, 23319, 23318, 23317, 21564, 23314, 25389, and 23342.**⁶³

There is no doubt, therefore, the parcels of land claimed by the parties are the same.

Delfino and his heirs are the rightful owners of the subject property

Basic considerations of justice, fair play, and due process dictate that issues or questions of fact may not be raised for the first time on appeal.⁶⁴ The reviewing court will not ordinarily consider issues not brought to the trial

⁵⁹ Id. at p. 232.

⁶⁰ Id. at p. 112.

⁶¹ Id. at p. 169.

⁶² Id. at p. 155.

⁶³ Id. at p. 234.

⁶⁴ See *De Rama v. Court of Appeals*, 405 Phil. 531-556 (2001); *Del Rosario v. Bonga*, 402 Phil. 949-962 (2001); *Villaranda v. Spouses Villaranda*, 467 Phil. 1089-1101 (2004); *S.C. Megaworld Construction Development Corp. v. Parada*, 717 Phil. 752-775 (2013); *Punongbayan-Visitation v. People*, G.R. No. 194214, January 10, 2018.

court's attention⁶⁵ unless the issues involve lack of jurisdiction over the subject matter, plain error, jurisprudential developments, or matters of public policy.⁶⁶ In *Villaranda v. Spouses Villaranda*,⁶⁷ the Court emphasized this rule:

It is well-settled that points of law, theories, issues and arguments not brought to the attention of the lower court need not be — and ordinarily will not be — considered by a reviewing court, as they cannot be raised for the first time at that late stage. Basic rules of fair play, justice and due process impel this rule. Any issue raised for the first time on appeal is barred by estoppel.

There are, however, exceptions to the general rule. Though not raised below, the following issues may be considered by the reviewing court: lack of jurisdiction over the subject matter, as this issue may be raised at any stage; plain error; jurisprudential developments affecting the issues; or the raising of a matter of public policy.⁶⁸

Here, INEC argued that it is the registered owner of the subject property based on the *2003 RTC Br. 14 Decision* confirming its ownership over the 8,700 sq. m. southeastern portion of Lot No. 23315. INEC only raised the issue of registration for the first time in its Motion for Reconsideration⁶⁹ with the CA, and the CA no longer resolved the issue. Similarly, the Court may not pass upon INEC's registration claim without violating Andres sisters' right to due process. This issue does not fall under any of the recognized exceptions when issues or questions of fact may be raised for the first time on appeal.

Even if the Court considers the *2003 RTC Br. 14 Decision*, INEC's arguments must still fail. Apart from the copy of the decision, no evidence was presented to prove that a decree of registration was issued in INEC's favor. More, INEC neither denied nor confirmed the existence of the decree of registration when Andres sisters questioned the absence of the decree in their comment.⁷⁰ Instead, it argued that a decree of registration or certificate of title is not necessary to confirm the title in cadastral proceedings. INEC's argument is erroneous. The Court explained the importance of a final decree of registration on the finality of cadastral or land registration proceedings in *Gomez v. Court of Appeals*,⁷¹ thus:

Unlike ordinary civil actions, the **adjudication of land in a cadastral or land registration proceeding does not become final, in the sense of incontrovertibility until after the expiration of one (1) year after the entry of the final decree of registration.** This Court, in several decisions, has held that **as long as a final decree has not been entered by**

⁶⁵ See *De Rama v. Court of Appeals*, 405 Phil. 531-556 (2001); *Del Rosario v. Bonga*, 402 Phil. 949-962 (2001); *Villaranda v. Spouses Villaranda*, 467 Phil. 1089-1101 (2004).

⁶⁶ *Villaranda v. Spouses Villaranda*, 467 Phil. 1089-1101 (2004).

⁶⁷ 467 Phil. 1089 (2004).

⁶⁸ *Supra* note 65 at 1098.

⁶⁹ CA *rollo*, pp. 125-140.

⁷⁰ *Rollo*, p. 78.

⁷¹ 250 Phil. 504-513 (1988).

the Land Registration Commission (now NLTDRA) and the period of one (1) year has not elapsed from the date of entry of such decree, the title is not finally adjudicated and the decision in the registration proceeding continues to be under the control and sound discretion of the court rendering it.⁷²

The one-year period under Section 32 of PD No. 1529 refers to the decree of registration issued by the Commissioner of Land Registration⁷³—not the cadastral court’s decision. The issuance of a decree of registration creates a strong presumption that the cadastral court’s decision has become final and executory.⁷⁴ The judgment of registration does not become executory until after the expiration of one year after the entry of the final decree of registration.⁷⁵ Therefore, it is premature for INEC to claim that it is the registered owner of the subject property absent any decree of registration. This brings the Court to conclude that INEC has no better right over the subject property on the strength of the *2003 RTC Br. 14 Decision*.

In the circumstances, the Court upholds the CA’s application of *primus tempore, potior jure* (first in time, stronger in right). The principle of *primus tempore, potior jure* applies when the rules on double sales under Article 1544 do not apply.⁷⁶ In this case, different vendors sold the subject property. Hence, the rules on double sales are inapplicable. Inarguably, the sale of the subject property to Delfino was made as early as 1957, and the sale to INEC was made on a much later date, or on May 27, 1991. Indeed, Delfino has a better right over the subject property under the principle of *primus tempore, portior jure*.

Delfino’s ownership of the subject property is further bolstered by the tax declarations for the years 1956, 1970, 1974, 1980, 1985, 1994, and 2002.⁷⁷ The Court has held that tax declarations and receipts are good indicia of possession and ownership because “no one in his [or her] right mind would be paying taxes for a property that is not in his [or her] actual, or at the least, constructive, possession.”⁷⁸

For these reasons, the Court upholds the CA’s findings that Delfino is the rightful owner of the subject property. Upon Delfino’s death, his rights over the subject property are transmitted to his legal heirs.⁷⁹ Considering that Neil, Cynthia, and Elma are Delfino’s children, they inherited the subject

⁷² Supra note 70 at 510.

⁷³ *Ramos v. Rodriguez*, 314 Phil. 326–334 (1995).

⁷⁴ *Republic v. Yap*, 825 Phil. 778, 787 (2013).

⁷⁵ *Spouses Laburada v. Land Registration Authority*, 350 Phil. 779, 788 (1998).

⁷⁶ *Cheng v. Genato*, 360 Phil. 891, 910 (1998).

⁷⁷ Records, pp. 211–215; 385–386; and 498–502.

⁷⁸ *Republic of the Philippines v. Spouses Go*, 815 Phil. 306, 320 (2017) citing *Republic v. Gielczyk*, 720 Phil. 385, 397 (2013).

⁷⁹ Article 777 of the New Civil Code. The rights to the succession are transmitted from the moment of death of the decedent.

property in equal shares.⁸⁰ Necessarily, they became co-owners of the subject property.⁸¹

INEC's right over the subject property is limited to Neil's share

Article 2028⁸² of the Civil Code defines two kinds of compromise agreements. The first is an extrajudicial compromise agreement whereby the parties make reciprocal concessions to avoid litigation. On the other hand, a judicial compromise agreement puts an end to existing litigation. Essentially, both judicial and extrajudicial compromise agreements constitute the contract between the parties.⁸³ To be valid, it must comply with the following requisites of contracts: (a) consent of the parties; (b) object certain, and (c) cause of the obligation.⁸⁴ A compromise agreement must also be based on real claims and be actually agreed upon in good faith.⁸⁵ Finally, it must not be contrary to law, public order, public policy, morals or good customs to constitute the law between the parties.⁸⁶

A compromise agreement does not require the court's approval to be valid. However, once the court approves a compromise agreement, it ceases to be an ordinary contract binding only upon the parties. It becomes a judgment that has the force of *res judicata* upon the parties.⁸⁷

Meanwhile, Article 1458 of the New Civil Code defines a contract of sale as a contract where one of the contracting parties obligates himself or herself to transfer the ownership and to deliver a determinate thing, and the other to pay for it in money or its equivalent. Relevantly, Article 493⁸⁸ of the New Civil Code allows a co-owner to alienate, assign or mortgage his or her

⁸⁰ Article 979 of the New Civil Code. Legitimate children and their descendants succeed the parents and other ascendants, without distinction as to sex or age, and even if they should come from different marriages.

An adopted child succeeds to the property of the adopting parents in the same manner as a legitimate child.

⁸¹ See *Butte v. Manuel Uy & Sons, Inc.*, 114 Phil. 443 (1962).

⁸² Article 2028. A compromise is a contract whereby the parties, by making reciprocal concessions, avoid a litigation or put an end to one already commenced.

⁸³ See *Regal Films, Inc. v. Concepcion*, 414 Phil. 807-814 (2001).

⁸⁴ Art. 1318 There is no contract unless the following requisites concur:

- (1) Consent of the contracting parties;
- (2) Object certain which is the subject matter of the contract;
- (3) Cause of the obligation which is established.

⁸⁵ *Manila International Airport Authority v. ALA Industries Corp.*, 467 Phil. 229, 244 (2004), citing *Landoil Resources Corp. v. Tensuan*, 250 Phil. 570 (1988).

⁸⁶ *Chavez v. Court of Appeals*, 493 Phil. 945, 952 (2005), citing *Pasay City Government v. CFI of Manila*, Br. X, 217 Phil. 153 (1984), citing *Municipal Board of Cabanatuan City v. Samahang Magsasaka, Inc.*, 159 Phil. 493 (1975).

⁸⁷ *Manila International Airport Authority v. ALA Industries Corp.*, supra note 84 at 242-243.

⁸⁸ Article 493 of the New Civil Code. Each co-owner shall have the full ownership of his part and of the fruits and benefits pertaining thereto, and he may therefore alienate, assign or mortgage it, and even substitute another person in its enjoyment, except when personal rights are involved. But the effect of the alienation or the mortgage, with respect to the co-owners, shall be limited to the portion which may be allotted to him in the division upon the termination of the co-ownership.

part in the thing owned in common because each co-owner has full ownership of his or her part. But such disposition only affects his or her undivided share. In effect, the transferee gets only the portion of the property pertaining to the co-owner who alienates, assigns, or mortgages their part.

INEC and Neil's compromise agreement has two aspects—the agreement to end litigation and the sale of Neil's rights and interests in the subject property. On the first aspect, it must be noted that the CA annulled the RTC's approval of the compromise agreement in a separate case for annulment of judgment.⁸⁹ The annulment of the *1999 RTC Br. 15 Order* proceeds from the illegality of obtaining the RTC's approval of the compromise agreement. The CA recognized Andres sisters' rights as Delfino's adopted children and held that the RTC's approval of the compromise agreement between INEC and Neil was obtained through extrinsic fraud. Meanwhile, the illegality of the compromise agreement to end this case proceeds from its failure to meet all the requirements of a valid compromise agreement. The compromise agreement is contrary to law because it deprived Andres sisters of their lawful share in the subject property. Neil also executed the Compromise Agreement in bad faith when he alleged that he is Delfino's only survivor.

Anent Neil's disposition of his rights and interests over the subject property, the law on co-ownership only allows him to alienate his share in the thing owned in common. In other words, he can only transfer his 1/3 portion of the subject property to INEC. Therefore, INEC is only entitled to 1/3 of the subject property.

Regarding the remaining 2/3 portion of the property, Andres sisters retain their ownership over the 2/3 portion of the subject property since they did not consent to the disposition of the property in INEC's favor. The Court cannot consider INEC as a purchaser in good faith because a claim of good faith is only relevant in registered lands. In *David v. Bandin*,⁹⁰ the petitioners similarly invoked the defense of good faith in purchasing the property. The Court explained that good faith is only material in the purchase of registered lands:

As the record shows, petitioners bought the property when it was still unregistered land. The defense of having purchased the property in good faith may be availed of only where [sic] registered land is

⁸⁹ Records, pp. 400–406. Decision penned by now retired Supreme Court Associate Justice Martin S. Villarama, Jr. and concurred in by now retired Supreme Court Associate Justice Conchita Carpio Morales and Associate Justice Sergio Pestafio. The decretal portion of the CA's Decision annulling the *1999 RTC Order* is as follows:

WHEREFORE, premises considered, the present petition is hereby GIVEN DUE COURSE and accordingly GRANTED. The *Order* dated January 28, 1999 approving the *Compromise Agreement* in *Civil Case No. 10140-15* is hereby ANNULLED and SET ASIDE.

Respondent Judge is hereby ORDERED to try and hear with utmost dispatch the said *Civil Case No. 10140-15* as if a timely motion for new trial by the petitioners had been granted therein.

No pronouncement as to costs.

SO ORDERED.

⁹⁰ 233 Phil. 139–153 (1987).

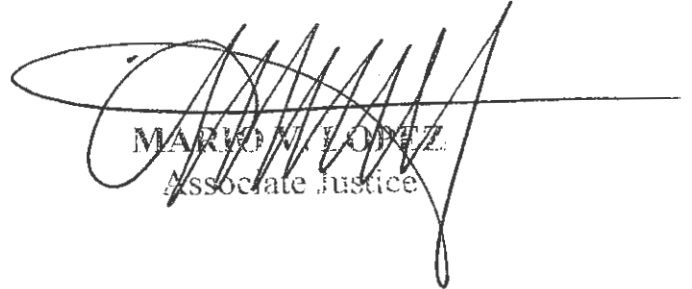
involved and the buyer had relied in good faith on the clear title of the registered owner. One who purchases an unregistered land does so at his peril. His claim of having bought the land in good faith, i.e. without notice that some other person has a right to, or interest in, the property, would not protect him if it turns out that the seller does not actually own the property. This is what happened in the case at bar.⁹¹

Since the subject of the compromise agreement is Delfino's unregistered land, INEC's claim of good faith is immaterial. It bought the property at its peril. The Compromise Agreement cannot protect INEC if it turns out, as it did, that Neil is not the owner of the entire property. Verily, the compromise agreement cannot affect Andres sisters' *pro indiviso* share in the subject property even if INEC honestly believed that Neil is Delfino's sole heir.

All things considered, the Court upholds Andres sisters' right over the 2/3 portion of the subject property. Meanwhile, INEC is only entitled to 1/3 of the property.

ACCORDINGLY, the Petition for Review on *Certiorari* is **DENIED**. The Court of Appeals' Decision dated July 21, 2011 and Resolution dated February 3, 2012 in CA-G.R. CV No. 94388 are affirmed.

SO ORDERED.

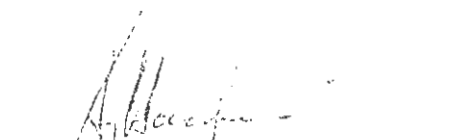


MARIO N. LOPEZ
Associate Justice

WE CONCUR:



MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson



AMY C. LAZARO-JAVIER
Associate Justice



JOSEF LOPEZ
Associate Justice



ANTONIO T. KICHO, JR.
Associate Justice

⁹¹ *Supra* note 89 at 150.

ATTESTATION

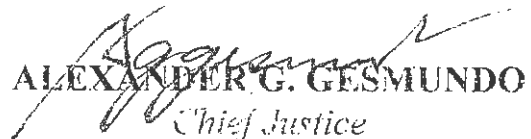
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VII 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.



ALEXANDER G. GESMUNDO
Chief Justice