



SUPREME COURT OF THE PHILIPPINES  
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Republic of the Philippines  
Supreme Court  
Manila

THIRD DIVISION

MANUEL M. SERRANO,  
Petitioner,

G.R. No. 208494

-versus-

INTERCONTINENTAL  
DEVELOPMENT  
CORPORATION,  
Respondent.

X-----X

MBJ LAND, INC. AND MANUEL P. BLANCO, JR.  
Petitioner,

G.R. No. 208509

-versus-

INTERCONTINENTAL  
DEVELOPMENT  
CORPORATION,  
Respondent.

X-----X

EUNICE ILAGAN,  
Petitioner,

G.R. No. 208542

-versus-

INTERCONTINENTAL  
DEVELOPMENT  
CORPORATION (ICDC), MBJ

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LAND, INC., MANUEL BLANCO,  
J&M PROPERTIES AND  
CONSTRUCTION CORP., and/or  
MANUEL SERRANO,

Respondents.

X-----X

J&M PROPERTIES & G.R. No. 208608  
CONSTRUCTION  
CORPORATION,

Petitioner,

Present:

LEONEN, J.,  
*Chairperson,*  
CARANDANG,  
ZALAMEDA,  
ROSARIO,  
DIMAAMPAO,\* JJ.

-versus-

INTERCONTINENTAL  
DEVELOPMENT  
CORPORATION, MBJ LAND,  
INC., MANUEL BLANCO,  
EUGENIO DELICA, EUNICE  
ILAGAN AND MANUEL M.  
SERRANO,

Promulgated:

Respondent.

October 6, 2021

X-----~~MistDCB.H~~-----X

**DECISION**

**CARANDANG, J.:**

These consolidated Petitions for Review on *Certiorari* under Rule 45 of the Rules of Court assail the Decision<sup>1</sup> dated March 15, 2013 of the Court of Appeals (CA) in CA-G.R. CV No. 93087 which granted the appeal of respondent Intercontinental Development Corporation (ICDC) and reversed and set aside the Order dated May 27, 2008 of the Regional Trial Court (RTC) of Muntinlupa City, Branch 276 in Civil Case No. 99-176. Likewise assailed is the Resolution<sup>2</sup> dated August 6, 2013 denying the separate motions for reconsideration filed by petitioners Manuel M. Serrano (Serrano), MBJ Land, Inc. (MBJ Land) and Manuel Blanco (Blanco), and J&M Properties and Construction Corporation (J&M Properties).

\* Designated as additional Member per Special Order No. 2839 dated September 16, 2021.

<sup>1</sup> Penned by Associate Justice Samuel H. Gaerlan (now a Member of this Court), with the concurrence of Associate Justices Rebecca L. De Guia-Salvador and Apolinario D. Bruselas, Jr.; *rollo* (G.R. No. 208494), pp. 11-31.

<sup>2</sup> Id. at 33-34.

### Facts of the Case

This case originated from a complaint for quieting of title<sup>3</sup> filed by respondent Intercontinental Development Corporation (ICDC) against petitioners MJB Land, Blanco, Eugenio Delica (Delica), and the Register of Deeds of Makati City, before the RTC of Muntinlupa City, Branch 276.<sup>4</sup>

ICDC is the registered owner and developer of Susana Heights Subdivision in Muntinlupa City, including the three parcels of land which comprise its Villages 2, 3, 4 and 5 (subject property). These properties were previously covered by Transfer Certificate of Title (TCT) Nos. 111350, 111351, and 111352 of the Register of Deeds of Makati City.<sup>5</sup> TCT No. 111350 was later subdivided into 598 smaller lots, for sale to potential buyers. TCT No. 111350 was cancelled and 598 TCTs were issued in the name of ICDC.<sup>6</sup> These titles cover about 6,143,000,000 square meters.

TCT Nos. 111350, 111351, and 111352 covering the subject property could be traced directly to and are derived from Original Certificate of Title (OCT) No. 656 issued by the Register of Deeds of Rizal.<sup>7</sup> OCT No. 656 was issued pursuant Decree No. 9329 dated December 13, 1912 in Land Registration Case (LRC) No. 2721, which was applied for by Barry Baldwin, *et al.* (Baldwin Application).<sup>8</sup>

ICDC alleged that it acquired ownership over the subject property by purchase in good faith and for value from La Paz Investments and Realty Corporation (La Paz) under a Deed of Assignment dated August 21, 1981, transferring and conveying all of La Paz's rights and interests over Susana Heights Subdivision to ICDC. La Paz, for its part, purchased the subject property from its original owners, the Madrigal Family (the Madrigals), as evidenced by a Deed of Absolute Sale dated February 13, 1978. After the sale, La Paz commenced the development of the subdivision and the construction of Susana Road which serves as the main access to Susana Heights up to the present.<sup>9</sup>

Upon the assignment by La Paz of its interest over Susana Heights to ICDC, the latter developed portions of the subdivision, conducted several surveys to determine the boundaries, posted markers and "No Trespassing" signs along the perimeter of the property, employed security force, established Field Offices within the subject property to manage day to day activities, and entered into yearly contracts for the preservation, cultivation, and harvesting of thousands of mango trees found inside the subject property.<sup>10</sup>

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<sup>3</sup> Id. at 320-338.  
<sup>4</sup> Id. at 320-321.  
<sup>5</sup> Id. at 321.  
<sup>6</sup> Id. at 331.  
<sup>7</sup> Id. at 332.  
<sup>8</sup> Id. at 406-407 and 445-446.  
<sup>9</sup> Id. at 331-332.  
<sup>10</sup> Id. at 332-334.

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Sometime in October 1996, ICDC discovered that the Register of Deeds of Makati City issued TCT Nos. 207282, 207283, and 207284 to petitioner MBJ Land, which covered portions of the subject property. ICDC likewise learned that said properties were previously covered by TCT Nos. S-12625, S-12626, and S-12628 registered in the name of Delica.<sup>11</sup>

Hence, ICDC filed this complaint for quieting of title praying that judgment be rendered declaring ICDC to have a better title to the subject properties, annulling TCT Nos. 207282, 207283, and 207284 in the name of MBJ Land, and annulling TCT Nos. S-12625, S-12626, and S-12628 in the name of Delica.<sup>12</sup>

The complaint was amended to implead petitioners Eunice Ilagan (Ilagan) and J&M Properties to whom Delica purportedly assigned his rights over the lands registered in his name.<sup>13</sup>

In their Answers, Delica, Ilagan, and J&M Properties averred that Delica was the original owner of 10 parcels of land located in Bagbagan, Tunasan, Muntinlupa with a total area of 206 hectares and covered by TCT Nos. S-12619, S-12620, S-12621, S-12622, S-12623, S-12624, S-12625, S-12626, S-12627, and S-12628 (Delica titles) issued on April 14, 1975. They alleged that the parcels of land were acquired in good faith by Delica from Juan Ma. Posadas, *et al.* (Posadas titles). The Posadas titles were derived from OCT No. 684, the mother title of the Delica titles.<sup>14</sup>

They further claimed that: (1) ICDC's titles are fake and spurious; (2) TCT Nos. 111350 and 111352 do not have any area; (3) ICDC did not indicate the source of the technical description in TCT Nos. 111350, 111351, and 111352; (4) in the Land Registration Authority (LRA) Verification Sheets, the Delica's titles and their immediate predecessor titles were found to be intact while those of ICDC and the predecessor titles were not on file in the records of the Registry of Deeds; (5) the Delica titles are superior to those of ICDC because OCT No. 684, the mother title of Delica, was issued two years ahead of OCT No. 656, the mother title of ICDC.<sup>15</sup>

Delica denied transferring his property or any portion thereof to MBJ Land, Inc. or Blanco. Under a Deed of Assignment, Delica assigned all his lands to J&M Properties. He averred that the Deed of Sale in favor of MBJ Land or Blanco are all fraudulent, hence, the titles issued should be cancelled. Delica claimed that TCT No. 111350 in the name of ICDC bears no land area and one of the corners has no reference point, thus, the subdivision into 598 smaller lots is not possible.<sup>16</sup>

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<sup>11</sup> Id. at 334-335.

<sup>12</sup> Id. at 337-338.

<sup>13</sup> Id. at 341.

<sup>14</sup> Id. at 387-388, 391.

<sup>15</sup> Id. at 378-379, 388-389.

<sup>16</sup> Id. at 387-390 and 448-449.

MBJ Land and Blanco posited that they purchased the lands covered by TCT Nos. S-12625, S-12626, and S-12628 from Delica. The said TCTs were cancelled and TCT Nos. 207282, 207283, and 207284 were issued in the name of MBJ Land. They claimed that the ICDC titles covered by OCT No. 656 and Decree No. 9329 issued on December 13, 1912 cannot prevail over the title of MBJ Land which originated from an earlier OCT No. 684 and Decree No. 4552 issued on August 27, 1910. The 598 titles of ICDC cannot be quieted over that of the Delicas.<sup>17</sup>

Petitioner Serrano filed a Complaint-in-Intervention<sup>18</sup> asserting that he is the owner of seven parcels of land which he purchased for value and in good faith from Delica. By virtue of seven Deeds of Sale dated March 18, 1996, the Delica titles (TCT Nos. S-12619, S-12620, S-12621, S-12622, S-12623, S-12624, and S-12627) were cancelled and TCT Nos. 209636, 209637, 209638, 209639, 209640, 209641, and 209642 were issued in the name of Serrano. Serrano claimed that the lands covered by his titles overlap in area with some of the 598 titles of ICDC. He pointed out that Delica's Decree No. 4552 dated August 27, 1910 was issued two years earlier than ICDC's Decree No. 9329 dated December 16, 1913.<sup>19</sup>

In the Answer to the Complaint-in-Intervention, Delica countered that Serrano's titles are null and void. The Deed of Sale dated April 28, 1997 purportedly executed by Delica in favor of Serrano is fictitious. As proof that he did not execute any deed of transfer to Serrano, Delica pointed out that Serrano's titles were issued on April 25, 1997, yet, the Deed of Sale is dated April 28, 1997, or three days after the issuance of Serrano's titles. Delica maintained that the titles in the names of MBJ Land, Blanco and Serrano are based on fictitious deeds of sale, which he never executed.<sup>20</sup>

It appeared that Delica entered into a joint venture with Blanco to develop, sell, mortgage, and dispose of the land covered by his title. Delica gave to Blanco a special power of attorney (SPA) for this purpose, and entrusted to Blanco his land titles. Delica was surprised when he learned that his titles were cancelled and new titles for MBJ Land, Blanco, and Serrano were issued. Delica opined that it is the SPA which Blanco purportedly used to transfer the Delica titles to his own name.<sup>21</sup>

During the pre-trial of the case, the following issues were submitted for litigation:

A. Whether or not Plaintiff [ICDC] has valid titles to the subject property;

B. Whether or not Defendant Eugenio Delica has or had

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<sup>17</sup> Id. at 376-380.  
<sup>18</sup> Id. at 396-404.  
<sup>19</sup> Id. at 397-402 and 445-446.  
<sup>20</sup> Id. at 452-455.  
<sup>21</sup> Id.

valid titles to the subject property;

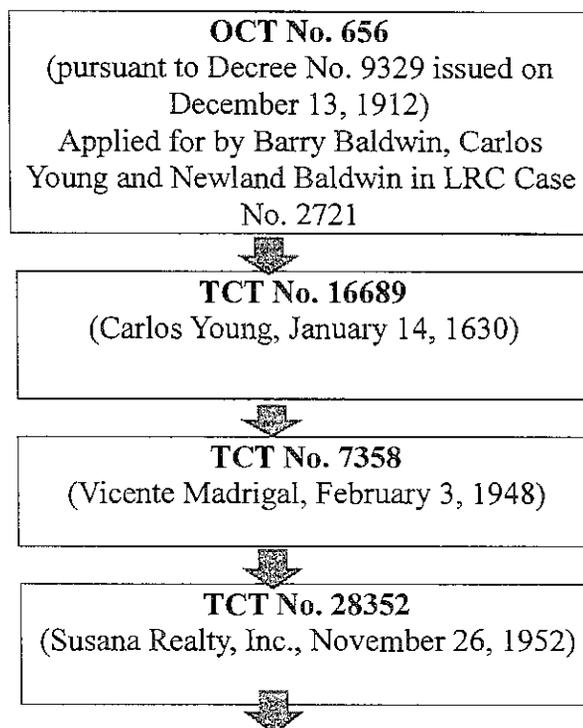
C. Whether or not Defendants MBJ Land, Eunice Ilagan, J [&] M Properties and Construction Corporation and Intervenor Manuel Serrano have valid titles to the subject property.

D. Who has superior title to the subject property.<sup>22</sup>

To determine whether there is overlapping between the ICDC titles and the Delica titles, the RTC ordered a joint verification survey whereby all parties were duly represented.<sup>23</sup> In the Report on the Joint Venture Survey dated March 8, 2004, the court-commissioned team of geodetic engineers, headed by Engr. Bienvenido Cruz, Chief of the Geodetic Surveys of the Land Management Bureau (LMB), confirmed that there was an overlap between the areas covered by the titles of ICDC and those of Delica.<sup>24</sup>

ICDC presented the following witnesses: Atty. Enrique Basa, Special Investigator of the LRA;<sup>25</sup> Engr. Filemon Avelino, Geodetic Engineer who surveyed and subdivided TCT No. 111350; Charles Romanillos, an employee of the SM Group of Companies; Engr. Modesto Allado, a member of the survey team created by the RTC; and Lilia De Dios, Property Manager of ICDC.<sup>26</sup>

From the evidence presented by ICDC, its titles can be traced back to OCT No. 656, the mother title, as simplified in this illustration:



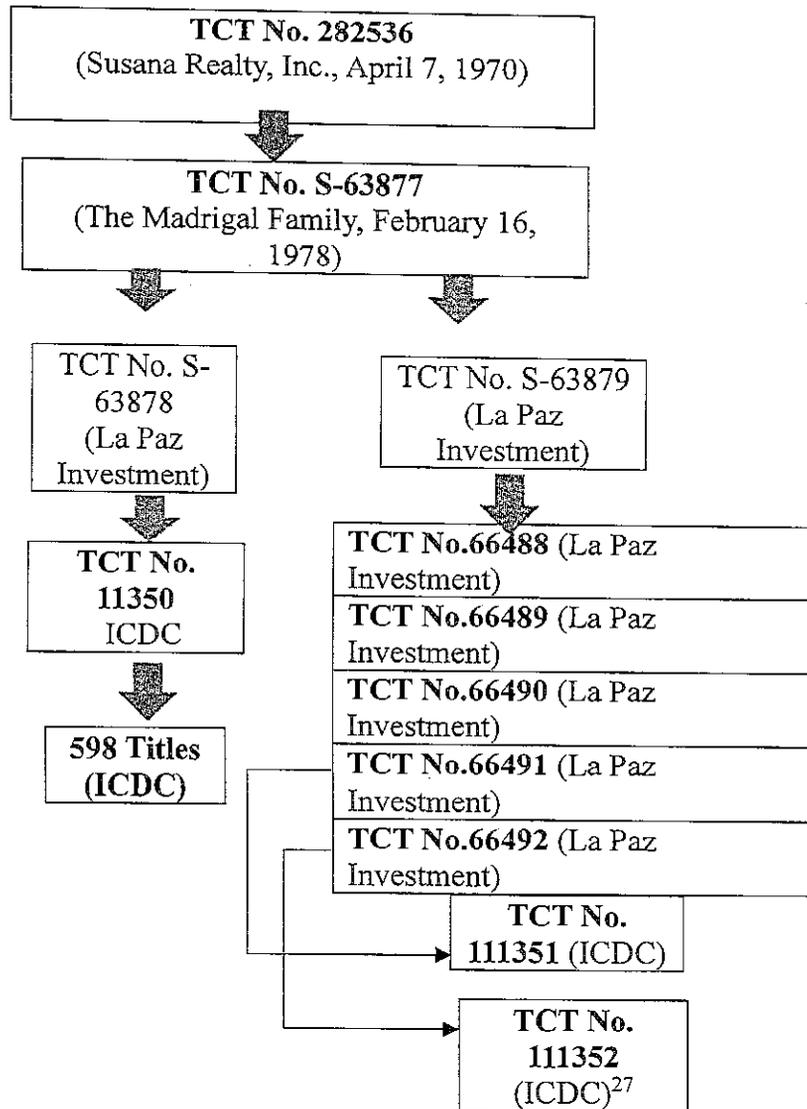
<sup>22</sup> Id. at 455.

<sup>23</sup> Id. at 13.

<sup>24</sup> Id. at 434-440.

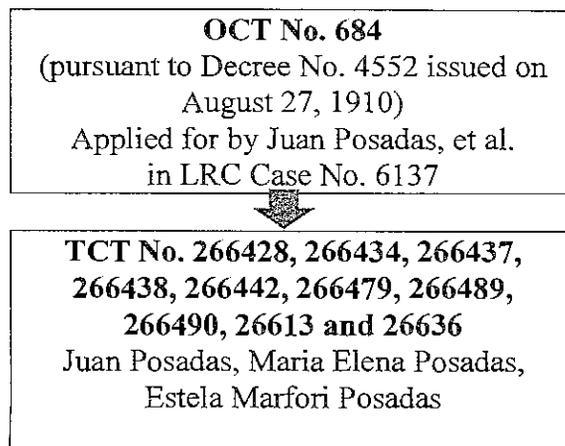
<sup>25</sup> Id. at 143.

<sup>26</sup> Id. at 435.



MBJ Land, Blanco, and Serrano presented Atty. Venice Andaya as their common witness while Delica, Ilagan, and J&M Properties presented Mr. Leonardo Mendoza and Engr. Bienvenido Cruz as their witnesses.<sup>28</sup>

From the evidence presented, the Delica titles can be traced back to its mother title, OCT No. 684, as shown in this diagram:



<sup>27</sup> Id. at 447.  
<sup>28</sup> Id. at 45.

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	<b>TCT No. S-12619</b> (Eugenio Delica) April 14, 1975
	<b>TCT No. S-12620</b> (Eugenio Delica) April 14, 1975
	<b>TCT No. S-12621</b> (Eugenio Delica) April 14, 1975
	<b>TCT No. S-12622</b> (Eugenio Delica) April 14, 1975
	<b>TCT No. S-12623</b> (Eugenio Delica) April 14, 1975
	<b>TCT No. S-12624</b> (Eugenio Delica) April 14, 1975
	<b>TCT No. S-12625</b> (Eugenio Delica) April 14, 1975
	<b>TCT No. S-12626</b> (Eugenio Delica) April 14, 1975
	<b>TCT No. S-12627</b> (Eugenio Delica) April 14, 1975
	<b>TCT No. S-12628</b> (Eugenio Delica) April 14, 1975
	<b>TCT Nos. 207282, 207283, 207284</b> (MBJ Land and Blanco)
	<b>TCT Nos. 209636, 209637, 209638, 209639,</b> <b>209640, 209641, 209642</b> (Serrano) Deeds of Sale dated March 18, 1996 <sup>29</sup>

### **Ruling of the Regional Trial Court**

In the Decision<sup>30</sup> dated February 5, 2007, the RTC granted ICDC's complaint, the dispositive portion of which reads:

PREMISES CONSIDERED, the Court rules that the Titles of Intercontinental Development Corporation (ICDC), Transfer Certificate of Title Nos. 111350, 111351 and 111352 and all of the five hundred ninety eight (598) derivative titles, are without doubt, its validity evident, hence, any cloud over or any adverse claim over them, are hereby quieted, removed and cleansed against anyone and against the whole world. The validity of the derivative titles from OCT 111350 enumerated in the COMPLAINT forever sustained.

The COMPLAINT-IN-INTERVENTION is denied.

<sup>29</sup> See id. at 125-126.

<sup>30</sup> Penned by Presiding Judge N.C. Perello; id. at 443-482.

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No pronouncement as to damages as none was proved by Plaintiff except attorney's fees of FIFTY THOUSAND PESOS (Php 50,000.00) since it is evident that this COMPLAINT was prosecuted by Plaintiff thru counsel.

It is SO ORDERED.<sup>31</sup>

While Delica claimed that he acquired his titles from Juan Posadas, *et al.*, the RTC noted that Delica inherited these properties from spouses Venancio Delica and Irene Contillon.<sup>32</sup> The RTC observed that the Delica titles were issued on April 14, 1975 yet the form on which these titles were entered was issued to Makati Register of Deeds on July 30, 1975. Further, the microfilm copies of TCT Nos. S-12619 to S-12628 with the Makati Register of Deeds over a 3,179-square meter land were issued not to Delica but to Palm Investment Incorporated on August 22, 1975. The land is located at Sucat, Muntinlupa covered by OCT No. 2583 issued on May 7, 1919 pursuant to Decree No. 76377 in Record No. 10766.<sup>33</sup>

The RTC held that the Posadas titles cannot be the same lands covered by the Delica titles considering that OCT No. 684 covering the Posadas titles pertain to the "Muntinlupa Estate" while the Delica titles cover the "Bagbagan Estate."<sup>34</sup> This also shows that the ICDC titles, which can be traced to OCT No. 656 as its mother title, are different from the Posadas titles from which the Delica titles were derived. They both cover huge and vast lands that the two courts where the application for registration were filed could not have been mistaken in granting two titles to each application if they cover the same parcel of land.<sup>35</sup>

The RTC took judicial notice of the fact that the Posadas Estate is known as the Posadas Subdivision located along the South Luzon Expressway at Sucat, Muntinlupa City, and abut into the municipalities of Taguig at one end and into Paranaque City at the other. On this property is found the National Shrine of Our Lady of Miraculous Medal, since this land was then a "friar land." The RTC held that this is a clear demonstration that what was applied for by the Posadas family was a friar land, and has a different location from the property applied by the predecessors of ICDC.<sup>36</sup>

Further, the RTC stated that Delica denied the sale of his lands to MBJ Land and Blanco for ₱500 million for the three parcels of land and the sale to Serrano for ₱51 million for the seven parcels of land, despite alleged receipt of such huge amount. Delica sought the annulment of the Deeds of Sale to MBJ Land and Blanco, and to Serrano, and the reinstatement of his title. He likewise filed an action to annul the SPA he executed in favor of Blanco and

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<sup>31</sup> Id. at 482.  
<sup>32</sup> Id. at 456-457.  
<sup>33</sup> Id. at 457-458.  
<sup>34</sup> Id. at 459-460  
<sup>35</sup> Id. at 460-461.  
<sup>36</sup> Id. at 461-462.

the Joint Venture Agreement. The RTC ruled that these transfers to MBJ Land and Blanco, and Serrano seem impossible. The TCTs of MBJ Land and Blanco are all dated October 15, 1996, yet, MBJ Land was incorporated only on December 3, 1996. On the other hand, the Deeds of Sale dated April 28, 1997 in favor of Serrano was notarized by Marcelo de Guzman who had no commission as a notary public for Makati City in 1997.<sup>37</sup>

According to the RTC, the parcels of land covered by the ICDC titles are different from the lands covered by the Posadas/Delica titles. From the time the land was transferred by the Baldwins to the Madrigals then to La Paz and finally to ICDC, no question nor opposition was even registered by anyone, not even by the late Eugenio Delica who claims to be the registered owner of over two million square meters of this parcel of land since 1976. No opposition or protest was heard from MBJ Land, Blanco and Serrano, who paid more than ₱500 million to allegedly acquire them, not until the complaint for quieting of title was filed by ICDC in 1999.<sup>38</sup>

The RTC likewise found nothing irregular in the subdivision of TCT No. 111350 to 598 titles ratiocinating that: (1) the omission to state the land area did not invalidate the titles; (2) the "Manila Railroad Depot" is not the most acceptable reference point; and (3) there is a subdivision plan approved by the Bureau of Lands which became the basis for the Housing and Land Use Regulatory Board to grant the license to sell by ICDC.<sup>39</sup>

In conclusion, the RTC held that "[u]nder all these uncertainties and discrepancies the title of ICDC still appear to the court to be more consistent and traceable to predecessor titles, all titles valid and rightfully issued, and the land occupied and improved."<sup>40</sup>

Delica, Ilagan, and J&M Properties filed a Notice of Appeal. MBJ Land, Blanco, and Serrano filed their respective motions for reconsideration. Later, J&M Properties filed a Motion for Leave to Admit the Herein Attached Motion for Reconsideration, reserving the right to revive its appeal should the resolution of the motion for reconsideration be adverse to its interest. The RTC granted J&M Properties' motion.<sup>41</sup>

The resolution of the motions for reconsideration was overtaken by the retirement of Presiding Judge N.C. Perillo. The case was transferred to the RTC of Muntinlupa City, Branch 203, presided by Judge Pedro M. Sabundayo, the pairing judge of Branch 276.<sup>42</sup>

Pending resolution of the motions for reconsideration, a fire gutted the Muntinlupa City Hall, including the sala and office of the RTC of Muntinlupa

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<sup>37</sup> Id. at 462-467.

<sup>38</sup> Id. at 469-473.

<sup>39</sup> Id. at 474-477.

<sup>40</sup> Id. at 481-482.

<sup>41</sup> Id. at 138-140.

<sup>42</sup> Id. at 140.

City, Branch 276. The records of the case were burned.<sup>43</sup>

After the records were reconstituted, the RTC issued the Order<sup>44</sup> dated May 27, 2008 which set aside the earlier Decision dated February 5, 2007, the dispositive portion states:

**WHEREFORE**, the Decision of the Court dated February 5, 2007 is hereby reconsidered, set aside and vacated and a new judgment is hereby rendered:

1. Quieting defendant MBJ/Blanco's titles, namely: TCT Nos. 207282, 207283, and 207284 (Exhibits "2-Blanco", "3-Blanco", and "4-Blanco") and plaintiff-intervenor Manuel M. Serrano's titles, namely: TCT Nos. 209636, 209637, 209638, 209639, 209640, 209641 and 209642 (Exhibits "H-Serrano" to "N-Serrano", inclusive) and declaring them to be valid and legal to the exclusion of all other parties or claimants, their assigns, heirs or successors-in-interest;

2. Removing any and all clouds on defendant MBJ/Blanco and plaintiff-intervenor Manuel M. Serrano's titles by cancel[ing], invalidating, nullifying and annulling plaintiff Intercontinental Development Corporation's titles and/or any titles that may have been derived therefrom to the extent that they encroach or overlap the area covered by the above titles of defendant MBJ/Blanco and plaintiff-intervenor Manuel M. Serrano and ordering the corresponding cancellation of, or amendment to the titles of plaintiff Intercontinental Development Corporation and/or its assigns or successors-in-interest that have encroached or overlapped thereto;

3. Denying the relief prayed for by defendants Delica and Ilagan against defendant MBJ/Blanco and intervenor Serrano and the counter-claims of ICDC against defendant MBJ/Blanco and intervenor Serrano;

4. Denying the Motion for Reconsideration filed by defendant "J&M", in so far as the relief sought therein would adversely affect, overlap or prejudice the claims of defendant MBJ/Blanco and plaintiff intervenor "Serrano" over the land in controversy, otherwise said motion is **GRANTED**.

This is without prejudice to the right of "J&M" to pursue its present appeal from the assailed decision.

**SO ORDERED.**<sup>45</sup> (Emphasis in the original)

In granting the motions for reconsideration, the RTC held that OCT No. 656, the root of ICDC's titles, is fatally flawed, spurious, and void, hence, it

<sup>43</sup> Id.

<sup>44</sup> Penned by Pairing Judge Pedro Sabundayo, Jr; id. at 137-172.

<sup>45</sup> Id. at 171-172.

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cannot transmit valid titles to the subsequent transferees. The RTC noted the following anomalies that invalidate OCT No. 656:

1. OCT No. 656 purports to have been entered on August 10, 1907 pursuant to Decree No. 9329 in LRC Case No. 2721 as stated in its face but the entry in the "LRA List of Decrees Issued" (Exh. "37" of Delica) shows that Decree No. 9329 was issued on December 13, 1912. x x x. OCT No. 656 was issued more than 5 years ahead of the decree.

2. Case No. 2721 (application for original registration) was published in the Official Gazette on March 1, 1911 x x x which is more or less FOUR (4) YEARS AFTER the issuance of Decree No. 9329. x x x. [T]he proper sequencing is that the application for land registration is published first before the decree is issued.

3. As stated in OCT No. 656, the original survey was undertaken in March 1912. This survey supposedly determined the technical descriptions of the land. But the application for registration which contained the technical descriptions was published in the notice of hearing on March 1, 1911 x x x – a year before.

4. [The Certification dated September 13, 2002 from the Lands Management Bureau (LMB) stated that it has no records of OCT No. 656, no survey plan, and no approved technical descriptions can be found.]

[5.] OCT No. 656's area, location and metes and bounds cannot be identified, which violates the Torrens System. x x x.

x x x x.

6. [Atty. Enrique Basa, the LRA investigator and ICDC's witness, who prepared the "Basa Report" declared that OCT 656 is possibly not authentic.]

x x x x.

9. The Joint Verification Survey Report dated March 4, 2004 categorically stated that "the lot covered by LRC Case No. 2721 cannot be plotted because its corner 1 is tied to the southwestern most corner of the Muntinlupa Railroad Depot which does not have a recorded geographic position or coordinate, and is not among the known Reference Points contained in the official list of the Muntinlupa Reference Points on record.

10. [Engr. Bienvenido Cruz, Chief of the Geodetic Surveys of the LMB and designated head of the joint verification survey team appointed by the RTC testified that the lot covered by LRC Case No. 2721 and OCT 656 from which the titles of ICDC and La Paz were derived cannot be

plotted.]<sup>46</sup>

The RTC further ruled that there were serious irregularities in ICDC's acquisition of ownership of, or title to, the subject properties. While ICDC stated in its complaint that it acquired the subject properties by purchase from La Paz under a Deed of Assignment dated August 21, 1981, what was submitted to the Register of Deeds as inscribed in the predecessor TCTs cancelled in favor of ICDC's TCTs was a different Deed of Assignment dated June 17, 1981. The RTC held that ICDC misled the court by claiming in its complaint that it acquired its property by virtue of the Deed of Assignment dated August 21, 1981. According to the RTC, the most plausible reason why ICDC did not state the Deed of Assignment dated June 17, 1981 is because there were serious defects and anomalies in that Deed, namely: (1) it did not state the purchase price or actual consideration of the supposed sale; (2) as worded, the deed could not divest ownership or title from La Paz and transfer it to ICDC; and (3) ICDC was not yet incorporated on June 17, 1981; hence, it had no legal personality to enter into any agreement and consequently, La Paz could not have validly assigned its property to a non-existent corporation.<sup>47</sup>

The RTC also observed that in another Deed of Assignment dated August 3, 1981, the Madrigals rescinded the contract and La Paz voluntarily surrendered the property to the Madrigals. In view of this rescission, no new certificate of title could have been issued to transfer the land to ICDC, which, at that time, was not yet a juridical entity. With the foregoing anomalies and irregularities, the RTC stated that ICDC is a buyer in bad faith which renders the registration futile.<sup>48</sup>

Further, the RTC noted that ICDC's TCT No. 111350 is defective since there is no area indicated in the title; it has an incomplete technical description; what was used to subdivide it into 598 daughter titles was another cancelled title, TCT 63878, registered in the name of La Paz; and there is no record of a subdivision plan. Also, the signatures of the Register of Deeds appearing in the 598 daughter titles were forged. Mr. Ramon Manalastas, the Register of Deeds of Makati from 1983 to 1986, executed a sworn statement stating that the signatures appearing in the 598 daughter titles are not his signatures.<sup>49</sup>

Contrary to the original decision holding that there is continuity of transfers of the ICDC titles, the RTC, this time, ruled that there were many irregularities in the alleged transfers of the lands from the Baldwins to ICDC which decimates the "continuity of transfers." No evidence was presented to show the deeds conveying the subject property from one owner to the other down the line. Some titles of ICDC's predecessors-in-interest are not only missing but there are no records of them in the office of the Register of Deeds

<sup>46</sup> Id. at 141-144.

<sup>47</sup> Id. at 145-150.

<sup>48</sup> Id. at 151-154.

<sup>49</sup> Id. at 154-161.

concerned. In addition, the RTC held that the assailed Decision had major errors that need to be rectified, the most palpable mistake being the finding giving ICDC an additional area of 5,007,684 square meters, whereas ICDC's TCT Nos. 111350, 11351, and 111353 have only a total area of 1,740,551 square meters. Another error that needs to be rectified is the statement in the earlier Decision that there is no definiteness of the consideration of the sale from Delica to Serrano. The RTC explained that it ignored the duly notarized Deeds of Sale which expressly stated the consideration of the sale and which sale was recorded in the Primary Entry Book in the Register of Deeds.<sup>50</sup>

OCT No. 684, the mother title of MBJ Land's and Serrano's titles, has been judicially recognized by this Court in the case of *Director of Lands v. Court of Appeals*.<sup>51</sup> The RTC pointed out that OCT No. 684 was issued ahead of OCT No. 656; OCT No. 684 has internal and external consistency concerning the dates of the publication of the application for registration, the date when the decree was issued, and the date of the issuance of the OCT; and the land in OCT No. 684 is identifiable as to area, location, metes and bounds and recognized reference point.<sup>52</sup>

Lastly, the RTC ruled that MBJ Land/Blanco, and Serrano are purchasers in good faith and for value. They relied not just on Delica's titles but also on the official records of government agencies tasked to maintain the integrity of the same. They had the Delica titles verified, and found out that: (1) the original copies of the Delica titles and those of Delica's predecessors-in-interest exist in the vaults of the Register of Deeds; and (2) the LRA's Land Title Verification Task Force Report affirms the validity of both the Delica titles and the predecessors thereof.<sup>53</sup>

ICDC appealed the Order of the RTC to the CA.<sup>54</sup>

J&M Properties filed a motion seeking for clarification of paragraph 4 of the Order dated May 27, 2008.<sup>55</sup>

In the Order<sup>56</sup> dated August 7, 2008, the RTC upheld and declared valid the claim of J&M Properties over a portion of the subject property which was the subject of the Deed of Assignment executed by Delica in favor of J&M Properties. The RTC ruled that the subject of sale in favor of MBJ Land/Blanco and Serrano are correspondingly reduced to the extent of the area thus assigned or transferred to J&M Properties.<sup>57</sup>

MBJ Land/Blanco, and Serrano moved for reconsideration but it was denied in the Omnibus Order dated March 27, 2009. In said Order, the RTC

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<sup>50</sup> Id. at 161-166.

<sup>51</sup> 190 Phil. 311 (1981).

<sup>52</sup> *Rollo* (G.R. No. 208494), p. 166.

<sup>53</sup> Id. at 169.

<sup>54</sup> Id. at 607.

<sup>55</sup> Id. at 2961-2962.

<sup>56</sup> Id. at 2961-2964.

<sup>57</sup> Id. at 2963-2964.

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likewise granted ICDC's motion to transmit records to the CA.

### Ruling of the Court of Appeals

In the Decision<sup>58</sup> dated March 15, 2013, the CA granted the appeal, and set aside the RTC Order dated May 27, 2008, the dispositive portion thereof reads:

**WHEREFORE**, premises considered, the instant appeal is **GRANTED**. Accordingly, the assailed Order is hereby **REVERSED and SET ASIDE**. TCT Nos. 111350 and its 598 derivative titles, 111351 and 111352 registered under the name of ICDC are declared, without any doubt, evidently valid; hence, any cloud or adverse claim over them are hereby quieted, removed and cleansed against anyone, including herein defendants and intervenor, as well as against the whole world.

**SO ORDERED.**<sup>59</sup> (Emphasis in the original.)

After making a trace back to the origins of ICDC's and Delica's titles, the CA gave more credence to the titles of ICDC. The CA held that the invalidation of ICDC's OCT No. 656 on the basis of the earlier registration of Delica's OCT No. 684 is erroneous. The rule that the earlier certificate of title prevails applies only when two certificates of title cover the same land. The CA observed that although the titles of ICDC and Delica titles are overlapping, their ultimate sources, OCT No. 656 and OCT No. 684, actually refer to two distinct and different properties.<sup>60</sup> The CA made comparisons, which this Court simplifies as follows:

	OCT No. 656 (ICDC)	OCT No. 684 (Delica)
Applicant	Barry Baldwin, Carlos Young and Newland Baldwin ("Baldwin Application")	Juan Posadas, et al. ("Posadas Application")
Year filed	1911	1910
Docket No.	LRC No. 2721	LRC No. 6137
Land Covered	Hacienda de San Isidro located at Tunasancillo, District of Muntinlupa, Municipality of Taguig, Province of Rizal	Friar land at the shores of Laguna de Bay, within Taguig Municipality

<sup>58</sup> Supra note 1.

<sup>59</sup> *Rollo* (G.R. No. 208494), p. 31.

<sup>60</sup> *Id.* at 17-18.

Respondents	Natural persons and several corporations	Corporations or government offices such as the Manila Railroad Company and the Public Works and Highways, among others.
Where filed	Court of Land Registration in Pasig	Court of Land Registration in Antipolo <sup>61</sup>

The CA held that “[t]o invalidate OCT No. 656 today after being in existence for about one century, merely because of the supposed inconsistency in dates where such dates cannot even be confirmed, as well as the supposed error in one of the reference points, goes against the grain of indefeasibility of the Torrens system.”<sup>62</sup>

The CA further found no irregularity in the 598 derivative titles from TCT No. 111350 since they bear the signature of the Register of Deeds. No competent evidence was presented to prove that the signatures appearing therein were forged. The derivative titles of ICDC can be traced back to the predecessor titles. There is no break in the continuity of the transfers of the parcels of land.<sup>63</sup>

The CA ruled that the Delica titles (TCT Nos. 12619 to S-12628) cannot be traced back to their original source in light of the numerous inconsistencies among these titles, their predecessor titles, and the records of these titles with the LRA. Contrary to what appears on the Delica titles, the LRA records show that TCT Nos. 12619 to S-12628 originate from OCT No. 2583 issued on May 7, 1919 by the Register of Deeds of Rizal pursuant to Decree No. 76377 in LRC Records No. 10766, and not from OCT No. 684 issued on September 24, 1913 pursuant to Decree No. 4554 in LRC Record No. 6137. According to the CA, the microfilm copies of the Delica Titles from the LRA reveal a different registered owner, size of land, location, technical descriptions, and OCT source from what appears on the Delica titles.<sup>64</sup>

The CA pointed out that ICDC has always been in possession of the subject property. On the other hand, Delica and his successors never exercised their rights over the same, not until the filing of this case. From 1968 when Delica allegedly purchased the property, or in 1975 when the titles were purportedly registered in his name, Delica and his successors never asserted their right over the subject property. Their long inaction and delay in asserting their right as supposed title holders over the disputed property bar them from claiming the same now.<sup>65</sup>

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<sup>61</sup> Id. at 18-20.

<sup>62</sup> Id. at 21.

<sup>63</sup> Id. at 22.

<sup>64</sup> Id. at 23-27.

<sup>65</sup> Id. at 27-29.

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Lastly, the CA stated that there is no need to discuss who between Blanco, MBJ Land, and Serrano on one hand, and J&M Properties and Ilagan on the other hand, validly purchased the subject properties from Delica. Considering that the Delica titles are void, these cannot give rise to valid derivative titles. Their claim that they are innocent purchasers in good faith and for value does not cure the invalidity of their titles. When they purchased the subject property, ICDC was already in possession. Their obstinate refusal to investigate the nature of ICDC's possession over the subject property negates their claim that they are innocent purchasers for value.<sup>66</sup>

Ilagan, Serrano, MBJ Land and Blanco filed separate motions for reconsideration but these were denied in the Resolution<sup>67</sup> dated August 6, 2013.

Hence, these consolidated petitions for review on certiorari filed by: (1) Serrano; (2) MBJ Land and Blanco; (3) Ilagan; and (4) J&M Properties.

### Issues and Arguments

#### G.R. No. 208494 (Serrano Petition)

Serrano anchored his petition on the following grounds:

I.

The Court of Appeals gravely erred when it ruled that OCT No. 656 and OCT No. 684 refer to different properties despite clear evidence of an overlap in the areas covered by their successor titles.

II.

The Court of Appeals gravely erred when it downplayed and disregarded the many irreconcilable defects and discrepancies in OCT No. 656.

III.

The Court of Appeals gravely erred when it ruled that there is no irregularity or break in the continuity in the alleged transfers of the subject properties to ICDC.

IV.

The Court of Appeals gravely erred when it ignored the evidence of forgery on the 598 daughter titles of TCT No. 11350.

V.

The Court of Appeals gravely erred when it ruled that ICDC has a better right over Serrano over the subject property.

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<sup>66</sup> Id. at 29-31.

<sup>67</sup> Supra note 2.

## VI.

The Court of Appeals gravely erred when it ruled that Serrano was not an innocent purchaser for value.<sup>68</sup>

Serrano argues that the alleged differences between OCT No. 656 and OCT No. 684 pointed out by CA in the assailed Decision are inconsequential because they do not conclusively prove that OCT Nos. 656 and 684 cover two completely distinct and separate properties. Considering the report that there is an overlap between the areas covered by the titles of ICDC and those of Delica, it logically follows, according to Serrano, that the areas covered by OCT No. 656 and OCT No. 684 also overlap. Serrano contends that OCT No. 684 should prevail over OCT No. 656, at least with respect to their overlapping areas, since OCT No. 684 was registered first in accordance with the “priority in time, priority in right” rule.<sup>69</sup>

Serrano posits that the CA erred when it disregarded the many irreconcilable defects and discrepancies in OCT No. 656, *i.e.*: (1) the date (August 10, 1907) when the Decree No. 9329 was issued as appearing in the face of the OCT is different from the date in the LRA List of Decrees Issued which shows that Decree No. 9329 was issued on December 13, 1912; (2) the application for original registration was published in the Official Gazette four (4) years after the issuance of the decree; (3) the original survey was done in March 21-27, 1912 but the technical descriptions were published in the notice of hearing on March 1, 1911; (4) the LMB has no record of OCT No. 656; (5) the LMB certified that it has no record of “San Isidro Estate;” and (6) the area, location, metes and bounds of OCT No. 656 cannot be identified. The nullity of OCT No. 656 was passed on to all its offspring titles including that of ICDC’s. Thus, it was serious error for the CA to have disregarded these defects and discrepancies in OCT No. 656 and attribute them all to said title’s antiquity.<sup>70</sup>

Further, Serrano claims that there is confusion as to how ICDC allegedly acquired ownership of, or title to, the subject property. While ICDC stated in its complaint that it acquired the subject property by purchase from La Paz under a Deed of Assignment dated August 21, 1981, what was entered in the Primary Entry Book of the Register of Deeds of Makati was a Deed of Assignment dated June 17, 1981. Serrano likewise asserts that the Madrigals rescinded the sale in favor of La Paz and the latter voluntarily surrendered and returned the property back to the Madrigals. Thus, La Paz had no more property to assign to ICDC.<sup>71</sup>

Serrano also claims that the CA erred when it brushed aside the fatal defects of TCT No. 111350 and the badges of fraud attending the registration of ICDC’s predecessor titles. TCT No. 111350 bears no land area; the technical description is incomplete; a cancelled title (TCT No. 63878) in the

<sup>68</sup> *Rollo* (G.R. No. 208494), pp. 49-50.

<sup>69</sup> *Id.* at 52-53.

<sup>70</sup> *Id.* at 54-56.

<sup>71</sup> *Id.* at 64-74.

name of La Paz was used to subdivide TCT No. 111350 into 598 daughter titles; and there is no record of subdivision plan in the Technical Records and Statistics Section of the DENR-NCR. Serrano contends that within a span of only eight minutes, four transactions involving three different parties concerning the disputed property were recorded in the Primary Entry Book of the Register of Deeds of Makati on the same volume and same page of the Book. According to Serrano, it is impossible to complete the process of cancellation and registration of these various transactions in eight minutes only. In addition, the signature of the Register of Deeds appearing on the 598 daughter titles was forged.<sup>72</sup>

Serrano asserts that while the CA overlooked the many defects and irregularities in OCT No. 656 and ICDC's titles, it zeroed in on the alleged irregularities of the Delica titles and ruled that the Delica titles cannot be traced back to OCT No. 684. These perceived defects in the Delica titles are trivial and inconsequential. The Basa Report,<sup>73</sup> which was used by ICDC to support its theory that the Delica titles are spurious, is flawed and should be disregarded. Serrano was never notified by Atty. Basa of the investigation of their titles and claims of the disputed property, in violation of his right to due process.<sup>74</sup>

Finally, Serrano contends that the CA erred when it ruled that he is not an innocent purchaser for value. He relied not just on the Delica's titles but also on the official records of government agencies tasked to maintain the integrity of the same. On the contrary, he asserts that it is ICDC who is not an innocent purchaser in good faith.<sup>75</sup>

***G.R. No. 208509 (MBJ Land and Blanco Petition)***

MBJ Land and Blanco raised two issues for resolution:

- (a) Which should prevail – OCT No. 656 or OCT No. 684?<sup>76</sup>
- (b) Which should prevail – petitioners' titles or respondent's titles?<sup>77</sup>

MBJ Land and Blanco aver that OCT No. 684 should be upheld over OCT No. 656, having been issued on an earlier date. They enumerated variances/differences that indicate that OCT No. 656, the mother title of ICDC, could not have originated from Decree No. 9329 in Case No. 2721. Also, they claim that OCT No. 656 is flawed, spurious, and void – (1) OCT No. 656 was issued more than five years ahead of the decree; (2) the application for original registration was published in the Official Gazette four years after the issuance of Decree No. 9329; (3) the publication of the technical description was made a year before the survey was done; (4) the

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<sup>72</sup> Id. at 78-91.

<sup>73</sup> Id. at 1269-1302.

<sup>74</sup> Id. at 91-100.

<sup>75</sup> Id. at 100-103.

<sup>76</sup> Id. at 13-28.

<sup>77</sup> Id. at 28-35.

LMB certified that it has no records of OCT No. 656; and (6) the area, location, metes and bounds of OCT No. 656 cannot be identified. In contrast to their titles derived from the Delica titles, the technical descriptions are complete.<sup>78</sup>

MBJ Land and Blanco maintains that OCT No. 656 is spurious. It covers no land; it confers no rights; and all titles emanating therefrom are either fraudulent or just as spurious.<sup>79</sup>

**G.R. No. 208542 (Ilagan Petition)**

Ilagan presented the following issues:

I.

The Honorable Court committed a serious and reversible error when it ruled that OCT No. 656 and OCT No. 684 refer to different properties despite clear evidence of an overlap in the areas covered by their derivative titles.

II.

The Honorable Court committed a serious and reversible error when it ruled that there is no irregularity or break in the continuity in the alleged transfers of the subject properties of ICDC.

III.

The Honorable Court committed a serious and reversible error when it ignored, disregarded and failed to appreciate the irreconcilable defects and discrepancies in OCT No. 656.

IV.

The Honorable Court committed a serious and reversible error when it likewise ignored, disregarded and failed to appreciate the evidence of forgery on the 598 derivative titles of TCT No. 111350.<sup>80</sup>

Ilagan contends that OCT No. 656 is spurious and void, raising the same arguments of the other petitioners in these consolidated petitions. He cites the ratiocinations of the RTC in its Order dated May 27, 2008. He posits that ICDC's TCT No. 111350 is defective since no area is indicated on its face, it has incomplete technical description, and what was used to subdivide it into 598 daughter titles was another cancelled title, TCT No. 63828. He also avers that the signatures of the Register of Deeds in the 598 daughter titles were forged. Ilagan asks this Court to sustain the validity of the Delica titles and invalidity of the ICDC titles. Since his rights and interest is rooted from and linked with the valid Delica titles, he also asked that his right and interest be likewise upheld.<sup>81</sup>

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<sup>78</sup> Id. at 13-35.

<sup>79</sup> Id.

<sup>80</sup> *Rollo* (G.R. No. 208542), pp. 24-25.

<sup>81</sup> Id. at 27-54.

**G.R. No. 208608 (J&M Properties Petition)**

The following errors committed by the CA were raised by J&M Properties:

I.

The Court of Appeals committed a reversible error in reversing the subject order of the trial court invalidating the root title (OCT 656) of ICDC.

- A. Glaring flaws and anomalies existed in OCT 656 and LRC 2721;
- B. The land covered by TCT 656 and LRC 2721 are different from each other and cannot be plotted;
- C. The Land Management Bureau has no record of the survey plan and approved technical description; and
- D. ICDC's own witness expressed doubts on the authenticity of OCT 656.

II.

The Court of Appeals committed a reversible error in reversing the subject Order of the trial court finding flaws and anomalies in the chain of titles of ICDC.

- A. RE: TCT No. 63877 – (i) Cannot be found in the records of the Register of Deeds, (ii) its alleged Owner's Duplicate copy was not signed by the Register of Deeds, (iii) its alleged Owner's Duplicate copy bears no annotation that the title was subdivided, cancelled, and the consequent issuance of TCT 63878 to 63882, (iv) its source of title cannot be determined, and (v) its technical description is inadequate;
- B. RE: TCT Nos. 16689 and 282536 – (i) Cannot be found in the records of the Register of Deeds, (ii) no copy of the survey plans exist with the DENR, and (iii) TCT 282536 was issued a day earlier than the execution and entry of the underlying Deed of Conveyance; and
- C. Irregularities exist in the cancellations and issuances of TCT Nos. 28352, 282536, and 63877 to 63882.

III.

The Court of Appeals committed a reversible error in reversing the subject Order of the trial court finding irregularities in ICDC's TCT No. 111350.

- A. TCT No. 111350 has an incomplete technical description, without an area, and cannot be plotted;
- B. TCT No. 111350 was subdivided into 598 daughter titles

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using a prior cancelled title, and there is no record of the subdivision plan; and

C. The signatures of the Register of Deeds in the 598 daughter titles were forged.

#### IV.

The Court of Appeals committed a reversible error in reversing the subject Order of the trial court upholding the Delica titles.

A. The Delica titles can be traced to its root title – OCT No. 684 - which has already been declared by the Supreme Court as valid and genuine;

B. The Delica titles have complete technical descriptions and can be plotted;

C. LRA Land Title Verification Report prevails over the Basa Report; and

D. The Delica titles which trace their root to an earlier OCT No. 684 are superior to ICDC's titles which trace their roots to a subsequent OCT No. 656.

#### V.

The Court of Appeals committed a reversible error in reversing the subject Order of the trial court finding that ICDC was not an innocent purchaser for value because irregularities marred ICDC's acquisition of the disputed property.

A. ICDC mislead the trial court when it alleged in its pleadings that it acquired the disputed property via a Deed of Assignment dated 21 August 1981 when in truth it was through another Deed of Assignment dated 17 June 1981; and

B. There were irregularities in the Deed of Assignment dated 17 June 1981 since (i) no purchase price was stated therein; (ii) it could not have divested the previous owner of the title and transferred it to ICDC; and (iii) ICDC was not yet incorporated as of 17 June 1981.

#### VI.

The Court of Appeals committed a reversible error in reversing the subject Order of the trial court finding that there was prescription and Delica was guilty of laches.<sup>82</sup>

J&M Properties implores this Court to take a judicious look into the glaring flaws and anomalies that marked OCT No. 656. Like Ilagan, it cited the discussions by the RTC in its Order dated May 27, 2008 as to the anomalies that invalidate OCT No. 656. With different technical descriptions, number of parcels, the size of the described areas, J&M Properties argues that

<sup>82</sup> *Rollo* (G.R. No. 208608), pp. 32-36.

OCT No. 656 and LRC 2721 cover different parcels of land and that these cannot be plotted. The LMB also certified that it has no record of the survey plan and approved technical description. Even ICDC's own witness, Atty. Basa, expressed doubts on the authenticity of OCT No. 656. It points out the irregularities in ICDC's chain of titles, specifically the absence of the original copies of TCT No. 282536 and TCT No. 63877 on file with the Register of Deeds. Further, it reiterates the assertions of the other petitioners that TCT No. 111350 has an incomplete technical description, without an area, and cannot be plotted; that it was subdivided using a prior cancelled title and there is no record of the subdivision plan; and that the signatures of the Register of Deeds in the 598 daughter titles were forged.<sup>83</sup>

J&M Properties contends that the Delica titles can be traced to OCT No. 684. These have complete technical descriptions and can be plotted. The chain of titles was established by two investigations and researches conducted by a Task Force organized by the LRA in July and October 1996. This land title verification should prevail over the Basa Report. Since evidence on record show that the lot covered by OCT No. 656 and LRC 2721 cannot be plotted, there is no basis for the CA to conclude that the lot covered by OCT No. 656 is different from that covered by OCT No. 684. The differences in the two applications are insufficient to establish that the lands covered by OCT No. 656 and OCT No. 684 are different. Further, J&M Properties avers that the CA erred in finding that ICDC was not an innocent purchaser for value considering the irregularities in its acquisition of the disputed property.<sup>84</sup>

#### ICDC's Consolidated Comment

ICDC claims that the consolidated petitions raise questions of fact which are not within the province of Rule 45; hence, may be dismissed. It contends that J&M Properties' petition should be dismissed considering that finality of the dismissal of its appeal before the CA. J&M Properties' appeal was dismissed for failure to file an appeal brief and it did not move for reconsideration from this Resolution. As a result, the CA entered the Resolution dated March 13, 2012 in the Book of Entry of Judgments on October 18, 2012.<sup>85</sup>

ICDC asserts that the CA correctly ruled that OCT No. 656, the root of its derivative titles, is genuine. It is a different property from OCT No. 684, the mother title of Delica's titles. The supposed discrepancies in the issuance of OCT No. 656 are mere speculations that do not actually exist. Most of the technical descriptions in OCT No. 656 are now blurred such that there can really be no basis of comparison of the technical description appearing on OCT No. 656 and those appearing in the notice of initial hearing in LRC Case No. 2721.<sup>86</sup>

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<sup>83</sup> Id. at 32-99.

<sup>84</sup> Id.

<sup>85</sup> *Rollo* (G.R. No. 208494), pp. 1546-1548.

<sup>86</sup> Id. at 1548-1552.

In addition, the ICDC titles are valid and can be traced from OCT No. 656. Although there were discrepancies in some of the transfers from OCT No. 656 up to the current TCTs in the name of ICDC, these were minor ones and these did not affect the validity of the present TCTs (*i.e.*, of issuing OCT No. 656 four years before notice of hearing; having a railroad depot as one of its reference points; that OCT No. 656 was entered before the issuance of the corresponding decree; and the supposed error in the technical descriptions). On the other hand, the Delica titles are fake and cannot be traced from their supposed source, OCT No. 684. There are irregularities in the issuance of the Delica titles which petitioners failed to explain. Their own witness, Atty. Venice Andaya, admitted that the Land Title Verification Sheets never stated that the Delica titles were indeed valid.<sup>87</sup>

Lastly, ICDC argues that Delica's claim over the subject property, if any, is barred by laches and estoppel. Even before ICDC's acquisition of the subject property in 1981, ICDC's predecessors – the Madrigals and Susana Realty, Inc. – were already in possession of the subject property and were exercising acts of dominion over it. On the other hand, Delica could not even pinpoint the exact date when he acquired title over the subject property. He never asserted his supposed rights thereon. It took 30 years before Delica claimed any rights thereon, and only because he has no other choice but to answer ICDC's complaint.<sup>88</sup>

**Serrano's Manifestation and Consolidated Comment (to the Petitions filed by Ilagan and J&M Properties)**

In his Manifestation and Consolidated Comment,<sup>89</sup> Serrano adopts and incorporates by reference all the allegations and arguments in his petition. He further points out that both J&M Properties and Ilagan have lost their right to seek affirmative relief from this Court, having failed to file a timely appeal of the RTC's Order dated May 27, 2008. Consequently, the Order already became final with respect to Delica, J&M Properties, and Ilagan.<sup>90</sup>

**Other pleadings filed**

J&M Properties filed a Comment/Opposition<sup>91</sup> to the petition for *certiorari* filed by Ilagan praying for its dismissal for lack of merit. It alleged that Ilagan's petition was filed out of time. Also, Ilagan has neglected several times to file her pleadings: either she had forgotten altogether or filed it out of time. It also filed a Supplemental Submission to re-emphasize the arguments in its petition. J&M Properties reiterates that the Delica titles are superior to ICDC's, contrary to the conclusion reached by the CA. J&M Properties owns

<sup>87</sup> Id. at 1552-1563.

<sup>88</sup> Id. at 1564-1566.

<sup>89</sup> Id. at 2947-2957.

<sup>90</sup> Id.

<sup>91</sup> Id. at 3049-3054.



2,052,475 square meters of the subject property as stipulated in the Deed of Assignment of Rights with Special Power of Attorney with Eugenio Delica.<sup>92</sup>

Ilagan filed her Comment,<sup>93</sup> basically reiterating her arguments in the petition, asking that judgment be rendered upholding the validity of the Delica titles including the rights and interests of the Heirs of Eunice Ilagan.<sup>94</sup>

### **Motion to Intervene by the Heirs of Carlos Young**

A Motion to Intervene<sup>95</sup> was filed by the Heirs of Carlos Young, represented by its Attorney-in-fact and Administrator, Reynaldo C. Campos. They alleged that they were not aware that the property left to them by their father is the subject of litigation. They came to know of the matter only when they read an article in the Manila Bulletin.<sup>96</sup>

ICDC filed a Comment<sup>97</sup> while Serrano filed his Opposition.<sup>98</sup> Both ICDC and Serrano aver that the motion to intervene was filed out of time considering that the RTC had already rendered judgment. Further, the intervenors have failed to establish their legal interest in the matter in litigation and that this motion will unduly delay or prejudice the action.<sup>99</sup>

### **Ruling of the Court**

The petitions are denied.

After a judicious examination of the records of the case, the Court affirms the ruling of the CA giving credence to the titles of ICDC. The CA observed that although the titles of ICDC and Delica are overlapping, their ultimate sources, OCT No. 656 and OCT No. 684, actually refer to two distinct and different properties. The CA found no irregularity in the 598 derivative titles issued to ICDC since they bear the signature of the Register of Deeds. On the other hand, the Delica titles (TCT Nos. S-12619 to S-12628) cannot be traced back to their original source in light of the numerous inconsistencies among these titles, their predecessor titles and the records of these titles with the LRA. Thus, considering that the Delica titles are void, these cannot give rise to valid derivative titles issued to Blanco, MBJ Land, Serrano, J&M Properties, and Ilagan.

The CA likewise pointed out that ICDC has always been in possession of the subject property while Delica and his successors never exercised their rights over the same, not until the filing of this case in 1999 when they filed their Answer to ICDC's complaint. From 1968 when Delica allegedly

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<sup>92</sup> Id.  
<sup>93</sup> Id. at 2996-3004.  
<sup>94</sup> Id.  
<sup>95</sup> Id. at 2807-2812.  
<sup>96</sup> Id.  
<sup>97</sup> Id. at 2900-2905.  
<sup>98</sup> Id. at 2861-2866.  
<sup>99</sup> Id. at 2861-2866 and 2900-2905.

purchased the property, or in 1975 when the titles were purportedly registered in his name, Delica and his successors never asserted their right over the subject property. Their long inaction and delay in asserting their right as supposed title holders over the disputed property bar them from claiming the same now.

The claim of Blanco, MBJ Land, Serrano, J&M Properties, and Ilagan that they are innocent purchasers in good faith and for value does not cure the invalidity of their titles. ICDC was already in possession when they purchased the subject property. Thus, their obstinate refusal to investigate the nature of ICDC's possession over the subject property negates their claim that they are innocent purchasers for value.

**The ICDC titles can be traced back to its ultimate source, OCT No. 656, proving the validity of the derivative titles issued to ICDC.**

The 598 derivative titles of ICDC can be easily traced back to its ultimate source, OCT No. 656. There is no break in the continuity of the transfers of the parcels of land.

From the first illustration shown above, ICDC's titles (TCT Nos. 11350, 11351, and 11352) covering the subject property can be traced directly to and are derived from OCT No. 656 which was issued pursuant Decree No. 9329 dated December 13, 1912 in Land Registration Case (LRC) No. 2721 applied for by Barry Baldwin, *et al.*<sup>100</sup>

OCT No. 656 was issued to the Baldwins and later on consolidated in favor of Carlos Young who was issued TCT No. 16689 on January 14, 1930. Carlos Young sold the subject property to Vicente Madrigal. TCT No. 16689 was cancelled by TCT No. 7358 in the name of Vicente Madrigal on February 3, 1948. Vicente Madrigal thereafter sold the subject property to Susana Realty, Inc.<sup>101</sup> There is an annotation in TCT No. 7358 under Entry No. 45799 and 45800 that there was an assignment in favor of Susana Realty, Inc. covering the parcels of land. TCT No. 7358 was cancelled by TCT No. 28352 in the name of Susana Realty, Inc. on November 26, 1952.<sup>102</sup> This TCT No. 28352 was subdivided into four lots, one of which was issued TCT No. 282536 (for Lot 6-A-4) on April 7, 1970 also in the name of Susana Realty, Inc.<sup>103</sup>

TCT No. 282536 was totally cancelled by TCT No. 63877 in the name of the Madrigal Family on February 16, 1978. The subject property was subsequently acquired by La Paz Investments and Realty Corporation (La

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<sup>100</sup> Id. at 445-446.

<sup>101</sup> Id. at 447.

<sup>102</sup> Id. at 385.

<sup>103</sup> Id. at 447.

Paz). The subject property was subdivided and TCT Nos. 63878<sup>104</sup> and 63879 were issued in the name of La Paz.<sup>105</sup> After the sale, La Paz commenced the development of the subdivision by constructing the Susana Road which serves as the main access to Susana Heights Division up to the present.<sup>106</sup> Subsequently, TCT No. 63879 was subdivided into five lots whereby TCT Nos. 66488, 66489, 66490, 66491, and 66492 were issued on April 4, 1978.<sup>107</sup>

From La Paz, ICDC purchased the subject property in good faith and for value under a Deed of Assignment dated August 21, 1981, transferring and conveying to ICDC all of La Paz's rights and interests over Susana Heights Subdivision. ICDC undertook to resume the development of Susan Heights Subdivision.<sup>108</sup> TCT No. 66491 was cancelled by TCT No. 111351 in the name of ICDC, while TCT No. 66492 was cancelled by TCT No. 111352 also in the name of ICDC.<sup>109</sup> On the other hand, La Paz's title, TCT No. 63878, was cancelled by TCT No. 111350, and was subdivided into 598 titles in the name of ICDC pursuant to Subdivision Plan Psd 13-000408.<sup>110</sup> There is nothing erroneous in using the technical description of TCT No. 63878 in causing the subdivision of the subject property considering that it is the immediate predecessor title of TCT No. 111350. They pertain to the very same property.

As found by the CA, there is nothing irregular in the 598 derivative titles in the name of ICDC since they bear the signature of the Register of Deeds.<sup>111</sup> Contrary to the RTC Order dated May 27, 2008 finding that the signature of the Register of Deeds in the 598 daughter titles were forged, no competent evidence was presented to prove that the signatures of the Register of Deeds appearing in said titles were indeed forged. The Affidavit of Ramon Manalastas, the Register of Deeds of Makati from 1983 to 1986, has no value for being hearsay. He was not presented in court to identify and authenticate his sworn statement. As a rule, forgery cannot be presumed. An allegation of forgery must be proved by clear, positive and convincing evidence, and the burden of proof lies on the party alleging forgery.<sup>112</sup>

The Court examined the titles from TCT No. 16689 in the name of Carlos Young up to the 598 derivative titles of ICDC, and it can be seen in the individual TCTs of the transferees that the land was "originally registered on the 16<sup>th</sup> day of December, in the year nineteen hundred and thirteen, in the Registration Book of the office of the Register of Deeds of Rizal, Volume A-7, page 57, as Original Certificate of Title No. 656, pursuant to Decree No. 9329, issued in L.R.C.     , Record No. 2721."<sup>113</sup>

<sup>104</sup> Id. at 115-119.

<sup>105</sup> Id. at 447.

<sup>106</sup> Id. at 332.

<sup>107</sup> Id. at 447.

<sup>108</sup> Id. at 417.

<sup>109</sup> Id. at 435.

<sup>110</sup> See id. at 160.

<sup>111</sup> See id. at 90.

<sup>112</sup> *Coro v. Nasayao*, G.R. No. 235361, October 16, 2019.

<sup>113</sup> *Rollo* (G.R. No. 208494), pp. 2309, 2312, 2315.

The CA correctly resolved the rule, *i.e.*, where two certificates of title are issued to different persons, the earlier in date must prevail, applies only when the two certificates of titles cover the same land in whole or in part.<sup>114</sup> In this case, the mother titles of ICDC and Delica pertain to different parcels of land, applied for by different persons, and filed in different courts. Thus, the rule was incorrectly applied by the RTC.

The discrepancies in the issuance of OCT No. 656, as found by the RTC in its Order dated May 27, 2008 and argued by Serrano in these consolidated petitions, are irrelevant in light of the finding that the mother titles of ICDC and Delica pertain to distinct and different parcels of land. In any event, these discrepancies, *i.e.*, the issuance of OCT No. 656 four years before notice of hearing; that OCT No. 656 was issued more than five years ahead of the decree; there is a different technical description in OCT No. 656 compared to those appearing in the notice of hearing, among others, were exhaustively explained in the assailed CA Decision in this wise:

The supposed discrepancies, of issuing OCT No. 656 four years before notice of hearing and of having a railroad depot as one of its reference points, are speculative. It cannot be denied, as it was even admitted by Delica's witness, Engr. Bienvenido Cruz, that the copy of OCT No. 656 is so blurred that it can no longer be plotted.

It was erroneous for the court *a quo* to assume that the date 10 August 1907 pertained to the entry of OCT No. 656. Neither was it readily shown on the face of the title nor was it clear as to what transpired on said date. Thus, the conclusion that OCT 656 was entered was ahead of the issuance of the corresponding decree or the notice of hearing is specious.

It was also error for the court *a quo* to hold that the technical descriptions as indicated in OCT No. 656 are inconsistent with those appearing in the notice of hearing. Due to the antiquity of this document, most of the technical descriptions are now blurred such that there can really be no basis of comparison. Besides, as early as 1924, the Supreme Court ruled in *Smith Bell & Co., Ltd., vs. Director of Lands* that discrepancies between old and new surveys in the Philippines are often found and are due to the fact that the areas and distances in the old surveys were usually estimated instead of computed and that case not to over-estimate seems generally to have been taken.

The court *a quo* likewise erred in finding that OCT No. 656 is spurious simply because one of the reference points in its technical description is a railroad depot. When the vast parcels of land were applied for registration by the Baldwins, a definite reference point was mentioned. This

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<sup>114</sup>

*Spouses Yu Hwa Ping v. Ayala Land, Inc.*, 814 Phil. 468 (2017).

reference point was the Manila Railroad Depot. The fact that it does not exist now does not mean that it never existed. Records would show that there are railways existing on the area covered by the subject property. x x x.

x x x x.

To invalidate OCT No. 656 today after being in existence for about one century, merely because of the supposed inconsistency in dates where such dates cannot even be confirmed, as well as the supposed error in one of the reference points, goes against the grain of indefeasibility of the Torrens system.<sup>115</sup>

It was proved, through a proper trace back of titles, that the TCTs of ICDC originated from OCT No. 656, which has been in existence for over a century. The continuity of the transfers was clearly established. The validity of the titles was duly proven.

**The Delica Titles cannot be traced back to OCT No. 684, the alleged mother title, giving doubt to the validity of the derivative titles issued to MBJ Land, Serrano, Ilagan, and J&M Properties.**

While it was shown in the second diagram that the Delica titles can be traced back to OCT No. 684, a careful and thorough examination of the titles prove that there is a gap or break in tracing back the Delica titles to its alleged mother title, OCT No. 684.

OCT No. 684 was issued on August 27, 1910 pursuant to Decree No. 4552 in LRC Case No. 6137 applied for by Juan Posadas, *et al.* As asserted by petitioners, OCT No. 684 is a valid title. This OCT No. 684 was later on subdivided and TCT Nos. 266428, 266434, 266437, 266438, 266442, 266479, 266489, 266490, 26613, and 26636 were issued in the names of Juan Posadas, Maria Elena Posadas, and Estela Marfori Posadas in lieu thereof.

Delica claimed that he acquired the subject property from the Posadas. The Posadas Titles were cancelled and Delica was issued TCT Nos. S-12619 to S-12628 on April 14, 1975. While there is a notation in the TCTs of Delica that it originated from OCT No. 684, the Posadas titles cannot be the same lands covered by the Delica titles considering that OCT No. 684 covering the Posadas titles pertain to the "Muntinlupa Estate" while the Delica titles cover the "Bagbagan Estate."

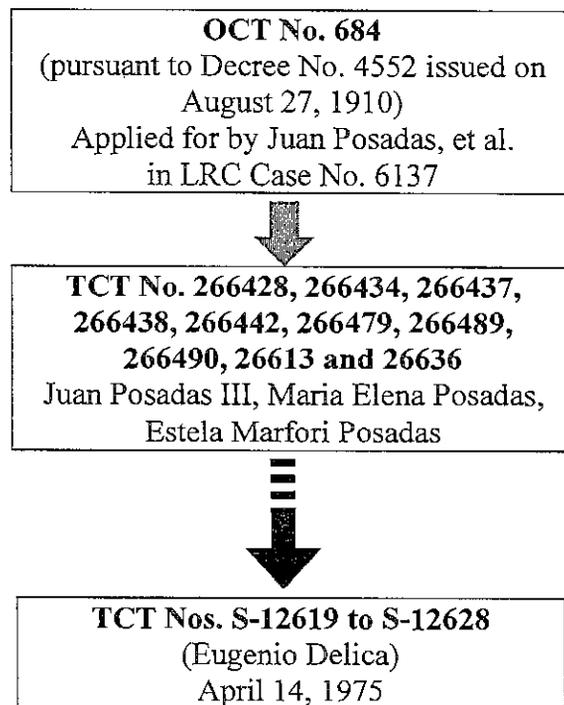
It was found by the CA that the Delica titles, TCT Nos. S-12619 to S-12628, covering about two million square meters of land, originated from OCT No. 2583 issued on May 7, 1919 by the Register of Deeds of Rizal pursuant to Decree No. 76377 in LRC Records No. 10766, and not from OCT

<sup>115</sup> Rollo (G.R. No. 208494), pp. 19-21.

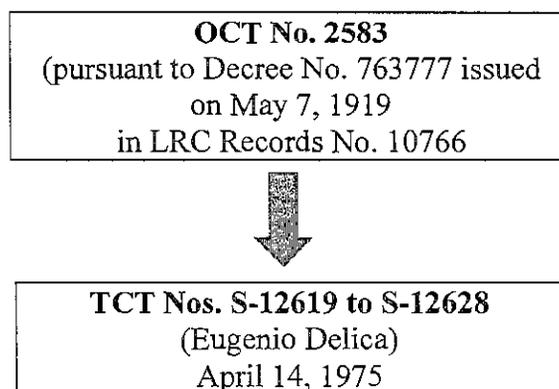
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No. 684. Further, while the Delica titles were issued on April 14, 1975, the form on which these titles were entered was issued to Makati Register of Deeds on July 30, 1975.

From the foregoing, the following illustration shows the gap or break of the Delica titles to its alleged mother title, OCT No. 684.



On the other hand, the evidence disclosed that the Delica titles originated from OCT No. 2583, as can be shown in this diagram:



Moreover, the microfilm copies of the Delica titles, TCT Nos. S-12619 to S-12628 with the Makati Register of Deeds, showed that there is a different registered owner, size of land, location, technical descriptions, and OCT source. The registered owner is Palm Investment, Inc. and not Eugenio Delica; the total area is 3,719 square meters and not two million square meters; the location is in Sucat, Muntinlupa and not Bagbagan, Tunasan, Muntinlupa, Rizal; the technical descriptions are different from the technical descriptions that appear on the Delica titles; and the titles were issued on August 22, 1975 and not April 14, 1975.

The CA likewise made the following findings:

According to Delica's version of the Posadas titles, TCT No. 15543 is the predecessor of the Posadas titles. However, this title, which is in the name of a certain Felicísimo Sta. Cruz, pertains to a 650 square meter parcel of land located in Caloocan. The LRA microfilm of TCT No. 15543 reveals that it was derived from OCT No. 868 and not OCT No. 684.

Logic dictates that such a title could not have possibly given rise to the Posadas titles and, eventually, the Delica Titles that cover more than 2 million square meters of land. This is where the trace back of the Delica Titles to their supposed original source, OCT No. 684, ends. There is simply no way that they can be traced back to OCT No. 684 due to the unexplained irregularity in TCT No. 15543.

The same observation was made in the LRA report (otherwise known as the "Basa Report"), dated 23 February 2000. The said report went further by concluding that the Delica Titles do not cover the same land covered by their supposed original source, OCT No. 684. The invalidity of the Delica Titles was established after showing that OCT No. 684 covers the Muntinlupa Estate, but the technical descriptions on the Delica Titles cover areas within the old Hacienda Isidro, an entirely different and separate property. Also, based on the records of LRA, the registered owner of the Delica Titles was found to be Palm Investment, Inc., and not Eugenio Delica.<sup>116</sup>

The Basa Report was identified and testified in court by Atty. Enrique M. Basa, one of the Special LRA Investigators who were assigned to conduct a fact-finding investigation on the circumstances relative to the issuance of the Delica titles. Atty. Basa was subjected to cross-examination by all the parties, questioning his report and refuting the same.

It was stated in said Basa Report that "the Delica titles is the first Muntinlupa landscam discovered so far."<sup>117</sup> The Delica titles were part of the "Saksak – Bunot Operations" in the Makati City Registry. Some members of the Land Title Verification Task Force were found to have actually participated in the said caper. The LRA Investigators recommended that Task Force *Titulong Malinis* be directed to: (1) investigate further the administrative and criminal liabilities of certain employees of the Registry of Deeds of Makati City; and (2) file a case for annulment of the Delica titles as well as its derivative titles, the MBJ Land and Serrano titles.

Further, there is the question as to what caused the transfer of the subject property from Posadas to Delica. While Delica claimed that he acquired the subject property from Posadas as evidenced by a Deed of Sale dated February 29, 1968, the Delica titles indicate that Delica acquired the

<sup>116</sup> Id. at 25-26.

<sup>117</sup> Id. at 1301.

titles through inheritance from spouses Venancio Delica and Irene Contillon. There is a notation in the Delica title that it is subject to “the provisions of Sec. 4, Rule 74 of the Rules of Court with regards to the inheritance left by the deceased Spouses Venancio and Irene Cantillon.”<sup>118</sup> The source title and the derivative title are in conflict as to what transaction caused the transfer.

**Denial by Delica of sale to MBJ Land and Blanco, and to Serrano.**

MBJ Land, Blanco, and Serrano aver that they purchased the subject property from Delica.

However, even Delica denied the sale of his lands to MBJ Land and Blanco for ₱500 million for the three parcels of land and the sale to Serrano for ₱51 million for the seven parcels of land. In fact, Delica sought the annulment of the Deeds of Sale to MBJ Land and Blanco, and to Serrano, and the reinstatement of his title. He likewise filed an action to annul the SPA he executed in favor of Blanco and the Joint Venture Agreement.

The Court agrees with the observation of the RTC in its Decision dated February 5, 2007 that these transfers to MBJ Land and Blanco, and Serrano seem impossible. The TCTs of MBJ Land and Blanco are all dated October 15, 1996, yet, MBJ Land was incorporated only on December 3, 1996. On the other hand, the Deeds of Sale dated April 28, 1997 in favor of Serrano was notarized by Marcelo de Guzman who had no commission as a notary public for Makati City in 1997. Further, the Deeds of Sale dated April 28, 1997 were executed three days after the titles of Serrano were issued on April 25, 1997.

More so, a scrutiny of the Delica titles shows that there was no annotation of sale in favor of Serrano, or MBJ Land and Blanco. What was annotated therein was a Contract of Option to Buy dated May 20, 1996 in favor of Manuel Serrano inscribed on June 9, 1996. If there was a subsequent sale, it does not appear in the Delica titles.

**The case of Director of Lands v. Court of Appeals<sup>119</sup> does not apply in this case.**

This case involves a different factual backdrop and does not apply to the present case. It involves a petition filed by private respondent Demetria Sta. Maria Vda. de Bernal (Demeteria) for reconstitution of the original of TCT No. 12/T-79 of the Registry of Deeds (RD) of Rizal covering two parcels of land located in Barrio San Dionisio, Municipality of Parañaque, Province of Rizal (now the Municipality of Muntinlupa, Province of Rizal) containing an aggregate area of 143.5062 hectares. The petition was later on amended by changing the TCT number from TCT No. 12/T-79 to TCT No. 42449.

<sup>118</sup> Id. at 262, 266, 270, 274, 277, 280, 283, 286, 289, 292, 296, 300, 306.

<sup>119</sup> Supra note 51.

Thereafter, a Motion for Leave of Court was filed by Intervenor Greenfield Development Corp. (Greenfield) alleging that the land supposedly covered by the certificate sought to be reconstituted overlap and include substantial portions of Greenfield's land. Greenfield averred that its certificates of titles was originally registered on the 20th day of September, 1913, in the Registration Book of the Office of the Register of Deeds of Rizal, Volume A-7, page 84, as Original Certificate of Title No. 684, pursuant to Decree No. 4552 issued on August 27, 1910; in the name of the "Government of the Philippine Islands" covering and embracing the land otherwise known as the "Muntinlupa Estate." It attached thereto a copy of OCT No. 684, the alleged mother title of the Delica titles in this case.

The Court dismissed the petition for reconstitution for lack of jurisdiction, for Demetria's failure to comply with the requirements and procedure set forth in Section 12 and 13 of Republic Act No. 26, *i.e.*, posting of notices, names of persons to be notified, among others.

True, there is a statement therein recognizing the existence of OCT No. 684, declaring that the TCTs of Greenfield were transfers from OCT No. 684. However, the recognition of the existence of OCT No. 684 does not in any way prove that the Delica titles were likewise transfers from OCT No. 684. There is no question that OCT No. 684 exists. The problem lies on the trace back of the Delica titles to OCT No. 684, its alleged mother title, which petitioners failed to establish. As assiduously discussed above, the Delica titles cannot be traced back to OCT No. 684. On the contrary, it was found that the Delica titles originate from OCT No. 2583 issued on May 7, 1919 by the Register of Deeds of Rizal pursuant to Decree No. 76377 in LRC Records No. 10766.

**MBJ Land, Blanco, and Serrano  
are not purchasers in good faith  
and for value.**

The evidence presented proved that the Delica titles are void for being spurious – (1) it cannot be traced back to its alleged mother title, OCT No. 684; (2) the LRA records show that the Delica titles (TCT Nos. S-12619 to S-12628) originate from OCT No. 2583 issued on May 7, 1919 by the Register of Deeds of Rizal pursuant to Decree No. 76377 in LRC Records No. 10766, and not OCT No. 684; (3) the microfilm copies of the Delica titles with the Makati Register of Deeds showed a different registered owner, size of land, location, technical descriptions and OCT source (*i.e.*, the registered owner is Palm Investment, Inc and not Eugenio Delica; the total area is 3,719 square meters and not two million square meters; the location is in Sucat, Muntinlupa and not Bagbagan, Tunasan Muntinlupa, Rizal; the technical descriptions are different from the technical descriptions that appear on the Delica titles; and the titles were issued on August 22, 1975 and not April 14, 1975); and (4) the Basa Report stated that "the Delica titles is the first Muntinlupa landscam



discovered so far.”<sup>120</sup> Being void, the Delica titles cannot transmit valid titles to the subsequent transferees.

The claim of MBJ Land, Blanco, and Serrano that they are innocent purchasers for value is untenable.

It is settled that no valid transfer certificate of title can issue from a void certificate of title, unless an innocent purchaser for value has intervened. Established is the rule that the rights of an innocent purchaser for value must be respected and protected notwithstanding the fraud employed by the sellers in securing their title.<sup>121</sup>

Jurisprudence is replete with pronouncements that a purchaser in good faith is 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 the time of such purchase, or before he has notice of the claim or interest of some other persons in the property.<sup>122</sup> He buys the property with the belief that the person from whom he receives the thing was the owner and could convey title to the property.<sup>123</sup> A purchaser cannot close his eyes to facts which should put a reasonable man on his guard and still claim he acted in good faith.<sup>124</sup>

In this case, Susana Realty, Inc, and later, the Madrigal Family, took possession of the subject property and exercised acts of ownership over the same. It was in 1978 when La Paz started developing the subject property into a subdivision. It begun the construction of the Susana Road which serves as the main access to Susana Heights Subdivision up to the present. When ICDC acquired the property in 1981, it resumed the development of the subdivision. It conducted several surveys to determine its boundaries. It employed security guards and established field offices within the premises. It entered into contracts for the preservation, cultivation, growing and harvesting of mangoes in the mango orchards inside the subject property. It also paid the real property taxes due thereon.

While they alleged that MBJ Land, Blanco, and Serrano did not merely rely on the Delica titles but verified the same on the official records of government agencies, they failed to conduct an ocular inspection of the property considering the vast area thereof and the huge amount they allegedly paid to purchase the subject property. In the normal course of things, a purchaser of a real property with a substantial area of two million square meters and a significant purchase price of more than ₱500 million should have exercised reasonable precaution by inquiring *beyond* the certificates of title. MBJ Land, Blanco, and Serrano should have personally visited and inspected the subject property. Had they done so, they should have been warned that

<sup>120</sup> *Rollo* (G.R. No. 208494), p. 1301.

<sup>121</sup> *Billote v. Solis*, 760 Phil. 712 (2015).

<sup>122</sup> *Sunfire Trading, Inc. v. Guy*, G.R. No. 235279, March 2, 2020; *Uy v. Fule*, 737 Phil. 290 (2014).

<sup>123</sup> *Casimiro Development Corp. v. Mateo*, 670 Phil. 311 (2011).

<sup>124</sup> *Id.*

someone was already in possession and developing the area into a subdivision. As the CA declared, MBJ Land, Blanco, and Serrano's obstinate refusal to investigate the nature of ICDC's possession over the subject property negates their claim that they are innocent purchasers for value.

In addition, while they claim that they acquired the property in 1976 (MBJ Land and Blanco) and in 1997 (Serrano), they never possessed or occupied the land nor improved the same. They did not even pay a single real estate tax of the land.

**Ilagan has no standing to file this petition for review on certiorari.**

As pointed out by Serrano, Ilagan has no more standing to file the present petition considering that the Order dated May 27, 2008 of the RTC has become final with respect to her. Records reveal that Ilagan no longer appealed the RTC Order to the CA. Even in the Resolution dated October 3, 2012, the CA already denied Ilagan's appeal.

The same cannot be said with respect to J&M Properties. Be it noted that the RTC Order dated August 7, 2008 was favorable to it. In said Order, the RTC upheld and declared valid the claim of J&M Properties over a portion of the subject property which was the subject of the Deed of Assignment executed by Delica in favor of J&M Properties. The RTC ruled that the subject of sale in favor of MBJ Land/Blanco and Serrano are correspondingly reduced to the extent of the area thus assigned or transferred to J&M Properties. Hence, it cannot be expected that J&M Properties will appeal said RTC Order. It was an appellee in the appeal filed by ICDC. When the CA reversed and set aside the RTC Order, resolving the appeal in favor of ICDC, and unfavorable to J&M Properties, the latter has the legal standing to file the instant petition.

**Motion for Intervention is denied.**

A Motion to Intervene<sup>125</sup> was filed by the Heirs of Carlos Young, represented by its Attorney-in-fact and Administrator, Reynaldo C. Campos.<sup>126</sup>

Sections 1 and 2 of Rule 19 of the 2019 Rules of Civil Procedure provide:

Section 1. *Who may intervene.* – A person who has a legal interest in the matter in litigation, or in the success of either of the parties, or an interest against both, or is so situated as to be adversely affected by a distribution or other disposition of property in the custody of the court or of an officer thereof may, with leave of court, be allowed to

<sup>125</sup> Rollo (G.R. No. 208494), pp. 2807-2812.

<sup>126</sup> Id.

intervene in the action. The court shall consider whether or not the intervention will unduly delay or prejudice the adjudication of the rights of the original parties, and whether or not the intervenor's rights may be fully protected in a separate proceeding. (1)

Section 2. *Time to intervene.* – The motion to intervene may be filed at any time before rendition of judgment by the trial court. A copy of the pleading-in-intervention shall be attached to the motion and served on the original parties. (2)

The intervention is denied considering that there is already a judgment rendered by the RTC. Also, the Court sees no legal interest on the part of the Heirs of Carlos Young considering the established transfers of the subject property starting from Carlos Young to ICDC. Too, the Court considers the delay and the consequent prejudice to the original parties that the intervention will cause.

The Court pronounced in *Ongco v. Dalisay*.<sup>127</sup>

Intervention is not a matter of absolute right but may be permitted by the court when the applicant shows facts which satisfy the requirements of the statute authorizing intervention. Under our Rules of Court, **what qualifies a person to intervene is his possession of a legal interest in the matter in litigation or in the success of either of the parties, or an interest against both; or when he is so situated as to be adversely affected by a distribution or other disposition of property in the custody of the court or an officer thereof.** As regards the legal interest as qualifying factor, this Court has ruled that such interest must be of a direct and immediate character so that **the intervenor will either gain or lose by the direct legal operation of the judgment.** The interest must be actual and material, a concern which is more than mere curiosity, or academic or sentimental desire; **it must not be indirect and contingent, indirect and remote, conjectural, consequential or collateral.** However, notwithstanding the presence of a legal interest, permission to intervene is subject to the sound discretion of the court, the exercise of which is limited by considering “whether or not the intervention will unduly delay or prejudice the adjudication of the rights of the original parties and whether or not the intervenor's rights may be fully protected in a separate proceeding.”<sup>128</sup> (Emphasis in the original; citation omitted.)

Accordingly, the motion for intervention is denied.

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<sup>127</sup> 691 Phil. 462 (2012).  
<sup>128</sup> Id. at 469-470.

### Conclusion

ICDC was able to substantially prove that the ICDC titles are valid. The trace back to its mother title, OCT No. 656, established the continuity of the transfers up to the issuance of the ICDC titles and the 598 derivative titles. After more than 20 years since the filing of the complaint for quieting of title in 1999, it is time for the Court to write *finis* to this controversy by removing any cloud, doubt, or uncertainty with respect to titles of ICDC over the subject properties.

Considering the finding that the Delica titles are fake and spurious, thus, void, all the titles derived therefrom by herein petitioners J&M Properties, Ilagan, MBJ Land, Blanco, and Serrano are perforce void. It is settled that a void title cannot give rise to a valid derivative title. As held:

Insofar as a person who fraudulently obtained a property is concerned, the registration of the property in said person's name would not be sufficient to vest in him or her the title to the property. A certificate of title merely confirms or records title already existing and vested. The indefeasibility of the Torrens title should not be used as a means to perpetrate fraud against the rightful owner of real property. Good faith must concur with registration because, otherwise, registration would be an exercise in futility. A Torrens title does not furnish a shield for fraud, notwithstanding the long-standing rule that registration is a constructive notice of title binding upon the whole world.<sup>129</sup>

All subsequent TCTs derived from the Delica titles are void because of the legal truism that the spring cannot rise higher than its source.<sup>130</sup>

**WHEREFORE**, premises considered, these consolidated petitions are **DENIED**. The Decision dated March 15, 2013 and the Resolution dated August 6, 2013 of the Court of Appeals in CA-G.R. CV No. 93087 are hereby **AFFIRMED**.

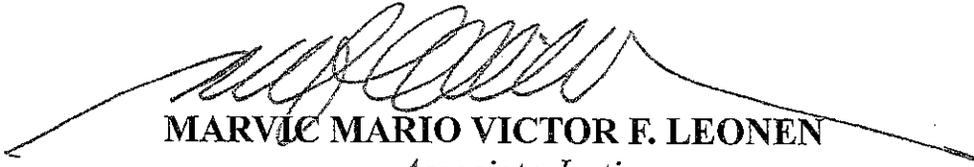
**SO ORDERED.**

  
**ROSMARI D. CARANDANG**  
Associate Justice

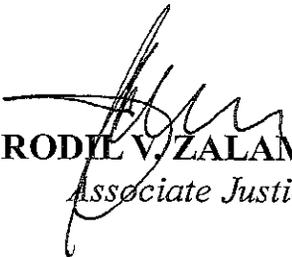
<sup>129</sup> *Heirs of Arao v. Heirs of Eclipse*, G.R. No. 211425, November 19, 2018, citing *Spouses Reyes v. Montemayor*, 614 Phil. 256, 274-275 (2009).

<sup>130</sup> *Id.*

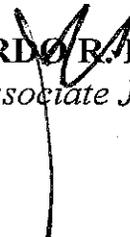
**WE CONCUR:**



**MARVIC MARIO VICTOR F. LEONEN**  
*Associate Justice*



**RODIL V. ZALAMEDA**  
*Associate Justice*



**RICARDO B. ROSARIO**  
*Associate Justice*



**JAPAR B. DIMAAMPAO**  
*Associate Justice*

**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 MARIO VICTOR F. LEONEN**  
*Associate Justice*

**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.



ALEXANDER G. GESMUNDO  
*Chief Justice*