Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

JOSE YULO AGRICULTURAL CORPORATION,
Petitioner,

- versus -

SPOUSES PERLA CABAYLO DAVIS and SCOTT DAVIS,
Respondents.

G.R. No. 197709

Present:

CARPIO, *Chairperson,*
BRION,
DEL CASTILLO,
MENDOZA, *and*
LEONEN, *JJ.*

Promulgated:
03 AUG 2015

x - x

DECISION

DEL CASTILLO, *J.*:

The general rule is that where two certificates of title purport to include the same land, the earlier in date prevails.

Assailed in this Petition for Review on *Certiorari*[1] are dispositions of the Court of Appeals (CA), particularly: 1) its May 29, 2009 Decision[2] in CA-G.R. CV No. 00155 which denied herein petitioner's appeal and instead affirmed the March 21, 2003 Decision[3] of the Regional Trial Court (RTC) of Himamaylan City, Negros Occidental, Branch 55 in Civil Case No. 648; and 2) its July 6, 2011 Resolution[4] denying petitioner's motion for reconsideration.

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1 *Rollo*, pp. 8-21.
2 CA *rollo*, pp. 61-70; penned by Associate Justice Edgardo L. Delos Santos and concurred in by Associate Justices Franchito N. Diamante and Rodil V. Zalameda.
3 Records, pp. 618-631; penned by Judge Jose Y. Aguirre, Jr.
4 CA *rollo*, pp. 173-174; penned by Associate Justice Edgardo L. Delos Santos and concurred in by Associate Justices Ramon Paul L. Hernando and Victoria Isabel A. Paredes.

Factual Antecedents

Lot 62-A in Binalbagan, Negros Occidental, consisting of 204,560 square meters, was registered as Transfer Certificate of Title No. (TCT) T-1081 in the name of Jose L. Yulo (Yulo). It was subdivided in 1963 into lots covered by TCT Nos. 36824 to 36852.

TCT 36852, covering Lot 29 with an area of 198,595 square meters, was further subdivided in 1969 into several lots which were all registered in Yulo's name. Among these lots are Lots 24, 25, 72 (TCT T-62499), 91 (TCT T-64737), 92 (TCT T-64738), and 96 (TCT T-64742). The titles to Lots 91, 92 and 96 were issued in 1971.

Yulo sold Lots 91, 92 and 96 to spouses Ignacio Madrina, Jr. and Teresa Saldua (the Madrinas) in 1975.

Lots 24,[5] 25,[6] 91,[7] 92[8] and 96[9] were subsequently mortgaged to Nation Bank, which eventually foreclosed and became owner of the lots. At the time of the foreclosure and sale to Nation Bank, the said lots already contained improvements in the form of a house and fence which were constructed by the previous occupants, spouses Ernesto and Wendelina Gabayeron (the Gabayerons). In 1992, Nation Bank sold these five lots with existing improvements to the herein respondents, spouses Scott and Perla Cabaylo Davis. Consequently, TCT Nos. T-163622, T-163623 and T-163624 over Lots 91, 92 and 96, respectively, were issued in respondents' favor on December 11, 1992.

On the other hand, TCT T-62499 covering Lot 72 – consisting of 183,920 square meters – was cancelled and TCT T-113437 was issued in 1979 in the name of herein petitioner Jose L. Yulo Agricultural Corporation.

In 1982, Lot 72 was further subdivided into several lots and registered in petitioner's name. Among these lots are Lots 3[10] (TCT T-126644), 4[11] (TCT T-126645), and 5[12] (TCT T-126646). In 1994, Lot 5 was sold to spouses Jose and Petronila Trajera (the Trajeras), and thus TCT T-167841 over said lot was issued in their favor.

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5 Lot 24 consists of 225 square meters.
6 Lot 25 consists of 100 square meters.
7 Lot 91 consists of 95 square meters.
8 Lot 92 consists of 100 square meters.
9 Lot 96 consists of 46 square meters.
10 Lot 3 consists of 250 square meters.
11 Lot 4 consists of 209 square meters.
12 Lot 5 consists of 186 square meters.

In 1999, respondents received separate demand letters from petitioner and the Trajeras requiring them to remove a portion of the Gabayeron home and fence which they claim encroached upon their respective properties (petitioner's Lots 3 and 4, and the Trajeras' Lot 5) – to the extent of 60.89 square meters with respect to the Trajeras' property, and 100 square meters for petitioner's Lot 3 and 102 square meters for its Lot 4. Respondents also received a letter from the Local Building Official of Binalbagan, Negros Occidental threatening them with sanction under the National Building Code unless they remove the encroaching improvements which allegedly extended beyond the boundary lines of their property.

A relocation survey was conducted on respondents' land, which indicated that their concrete fence encroached upon the adjacent lands to the extent of 16 square meters.

Ruling of the Regional Trial Court

On March 10, 1999, respondents filed a case for quieting of title and damages against the Trajeras, Yulo, Nation Bank and the Binalbagan Local Building Official, Engineer Patrick Mabag (Mabag) before the RTC of Himamaylan City, Negros Occidental. The case was docketed as Civil Case No. 648 and assigned to Branch 55.

After trial, the RTC rendered a Decision[13] on March 21, 2003 as follows:

> The issues confronting the court are: (1) whether the house and concrete fence of the plaintiffs have occupied portions of Lot No. 3 x x x; and (2) whether the house and concrete fence x x x have occupied portion[s] of Lot Nos. 4 and 5 x x x. With respect to the first issue, the answer is in the negative while in the second issue the answer is in the affirmative.
>
> As noted by the court, Lot Nos. 24, 25, 91, 92 and 96 x x x were already existing when Lot No. 72 which is a portion of Lot No. 29, was subdivided sometime in 1982 and the corresponding certificates of title for Lots 3, 4 and 5 x x x were issued in 1983. The subdivision made in 1982 did not only cover the whole area of Lot No. 72. The testimony of Petronilo Ayson of the Ayson Surveying Office herein quoted, to wit:
>
> > Q. And what was included in Lot 3?
> > A. The whole of Lot 92 of the spouses Davis contains an area of 100 square meters. So, 100 square meters is now the area included in Lot 3 block 12 the area of lot 92.
> >
> > Q. And how about lots 91 and 96 are they included in the titles of lots 5 and 4?
> > A. So, lots 91 and 96 are x x x included in the title of lot 4 block

[13] Records, pp. 618-631.

12 and lot 5 block 12.

is clear that the whole area of Lot No. 92 x x x consisting of an area of one hundred (100) square meters x x x in the name of Perla Cabaylo Davis x x x is included or overlapped by Lot No. 3 x x x owned by Jose L. Yulo Agricultural Corporation while Lot No. 91 x x x and Lot No. 96 x x x are all included or overlapped by Lot No. 4 and Lot No. 5 x x x respectively registered in the name of Jose L. Yulo Agricultural Corporation and Spouses Jose and Petronila Trajera. Considering that [Lot] Nos. 91, 92 and 96 were all registered and the corresponding certificates of title were issued ahead of Lot Nos. 3, 4 and 5 x x x, the overlapped portions consisting of nine-five (95) square meters for Lot No. 91, one hundred (100) square meters for Lot No. 92 and forty-six (46) square meters of Lot No. 96 are all owned by Perla Cabaylo Davis married to Scott Davis. In this regard, it is relevant to cite the ruling of the High Court in the case of Verdant Acres, Inc. vs. Hernandez, 157 SCRA 495 where it held, thus:

> "Lands described and embraced in the certificate of title asserted by both parties which overlapped each other, on the question of who, as between the parties, is entitled to the overlapped portion, the earlier registered title is the owner."

Indubitably, the wall or concrete wall of the spouses Davis' house has occupied sixteen (16) square meters of Lot Nos. 4 and 5 x x x.

However, since the said house was already existing when the spouses Perla x x x and Scott Davis purchased the lots where said house stands, from Nation Bank x x x, the said spouses cannot be considered a builder in bad faith. The existence of the house before the spouses Davis bought the lots is admitted by defendant Jose Trajera when he testified under cross-examination in court on June 26, 2000 x x x.

x x x x

The Spouses x x x Davis deserve to be accorded with the benefits granted to a builder in good faith.

As the spouses x x x Davis are not builders in bad faith, the rights of the plaintiffs and the defendants are governed by the provision of Article 448 of the Civil Code x x x:

x x x x

Under this provision, the choice or option belongs to the owner of the land, in this case Jose L. Yulo Agricultural Corporation and the Spouses x x x Trajera. However, the choice or option granted to them is not absolute. Since it is impractical to allow them to own the concrete wall of the plaintiffs' house as there is a possibility of an invasion of the plaintiffs' right to privacy, the workable solution is for the defendants Jose L. Yulo Agricultural Corporation and the Spouses x x x Trajera to select the second alternative, namely, to sell to the Spouses x x x Davis that part of their land on which was constructed a portion of the plaintiffs' house (Leonor Grana and Julieta Torralba vs. Court of Appeals, et al., L-12486, August 31, 1960).

The boundary disputes arose when Lot No. 72, which is part of Lot No.

29, was subdivided into seventy-six (76) sublots as a result of which Lot No. 3 overlapped the whole area of Lot No. 92 while Lot Nos. 4 and 5 overlapped the whole area of Lot Nos. 91 and 96.

Moral damages may be awarded by reason of the sufferings, physical or mental, sustained by the claiming party. However, the grant of such damages is not subject to the whims and caprices of judges or courts. The court's discretion in granting or refusing it is governed by reason and justice. In order that an individual may be made liable, the law requires that his act be wrongful. The adverse result of an action does not per se make it wrongful as to justify an assessment of damages against the actor (Rubio vs. Court of Appeals, 141 SCRA 488).

In this case, there is no basis to justify the award for moral damages. As owner, Jose L. Yulo Agricultural Corporation has the right to have Lot No. 72 subdivided into sublots. The overlapping of Lot No. 3 over Lot No. 92 was caused by an error committed by the Geodetic Engineer who conducted the [survey] of said lot. In a similar situation, the overlapping of Lot Nos. 4 and 5 over Lot Nos. 91 and 96 was due to the subdivision of Lot No. 72 into sublots made by a Geodetic Engineer. In other words, the wrongful act was not committed by the management of the corporation in order for it to be held liable for moral damages. Settled is the rule that moral damages cannot be awarded in the absence of a wrongful act or omission or of fraud or bad faith (Siasat vs. Intermediate Appellate Court, 139 SCRA 238).

As Local Building Official of the Municipality of Binalbagan, Engineer Patrick Mabag, is clothed with authority to enforce the provision of the National Building Code. x x x However, the fault cannot be ascribed to the Spouses x x x Davis as the house was already existing when they bought it from the former owner and they did not introduce any improvement on the said house. This fact was admitted by the defendant Jose Trajera when he testified in court on June 26, 2000. (TSN p. 22).

Exemplary or corrective damages are imposed by way of example or correction for the public good. This is in addition to moral, temperate, liquidated or compensatory damages. Public policy requires the award of exemplary damages in order to suppress wanton acts committed against the aggrieved party. However, in the absence of moral, temperate, liquidated, or compensatory damages, as in this case, no exemplary damages can be granted x x x.

However, considering that the Spouses x x x Davis were compelled to litigate in order to protect their interest, they incurred expenses in prosecuting their case. Prudence demands that they should be awarded litigation and attorney's fees.

WHEREFORE, based on the foregoing premises and consideration, the court hereby renders a decision in favor of the plaintiffs and against the defendants confirming plaintiffs' title to Lot No. 92, Binalbagan Cadastre, overlapped by Lot No. 3, Block 12 and to Lot Nos. 91 and 96, all of Binalbagan Cadastre, overlapped by [Lot] Nos. 4 and 5 respectively and hereby:

1) Orders the appropriation of the sixteen (16) square meters land owned by defendants Jose L. Yulo Agricultural Corporation and Spouses Jose and Petronila Trajera occupied by the house which was already existing when the

> plaintiffs bought [Lot] Nos. 91 and 96 upon payment of the value of the portion of said lots based on the prevailing market value;
>
> 2) Orders the defendant Jose L. Yulo Agricultural Corporation to pay the plaintiffs the amount of □88,818.40 and □75,000.00 representing [the price of] their plane ticket[s] as actual damages, □50,000.00 Attorney's Fees and □1,500.00 per court appearance as appearance fees deducting therefrom the value of the portion of Lot No. 4 occupied by the house of the plaintiffs;
>
> 3) Orders the plaintiffs to observe the provision on easement of light and view in order to protect the privacy of the defendant Spouses Jose and Petronila Trajera.
>
> SO ORDERED.[14]

Ruling of the Court of Appeals

Petitioner and the Trajeras interposed an appeal before the CA. Docketed as CA-G.R. CV No. 00155, the appellants therein essentially argued that since Lots 91, 92 and 96 are non-existent as per records of the Land Registration Authority (LRA), it was erroneous for the RTC to have ruled in favor of the respondents.

On May 29, 2009, the CA issued its Decision affirming the RTC's March 21, 2003 judgment.

> Anent the first error, defendants-appellants claim that contrary to what their titles purport to show, Lots 91, 92 and 96 allegedly owned by the Davis spouses are not valid subdivisions of Lot 29, Psd-69136 covered by TCT T-36852. In support of their allegation, they presented a letter from the LRA signed by one Renato R. Obra as Chief of the Plan Examination Section, Subdivision & Consolidation Division which essentially explained that Lots 91, 92, and 96 could not have resulted from the subdivision survey of Lot 29 pursuant to plan (LRC) Psd-118336 since only 74 lots resulted therefrom. In addition, they introduced the LRA-certified copy of the subdivision survey/plan Psd-118336 wherein Lots 91, 92 and 96 do not appear as sublots therein.
>
> x x x x
>
> In an action for quieting of title, the issue to be resolved is who, between the parties, has a better right to the challenged property. After an exhaustive examination of the evidence and the records in this case, We rule in favor of the Davis spouses.
>
> A perusal of the boundaries of the disputed lots discloses that these lots supposedly adjoin each other, all being portions of Lot 29. For the Davis spouses, Lot 92 is east of Lot 91 while Lot 96 is south of Lot 91. On the northern side of Lots 91 and 92, they are adjoined by Lots 24 and 25 also registered in the

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[14] Id. at 623-631.

name of the Davis spouses. Adjacent to Lots 96 and 92 on the southern side is Lot 72 which is from where Lots 3, 4 and 5 of the defendants-appellants are derived. Conversely, the titles of defendants-appellants show that Lot 5 is west of Lot 4 while Lot 3 is adjacent to Lot 4 on the east. But on the north, they are all described to be bounded by Lot 24 *only*, resulting in the anomaly wherein Lots 91, 92 and 96 as well as Lot 25 appear to be completely missing. Faced with these facts, it becomes clear that what is involved herein is a case of overlapping of titles over the same property. It must be noted, however, that the lots in dispute in this case involve only Lots 91, 92 and 96 of the Davis spouses as against Lots 3, 4, and 5 of the defendants-appellants. Consequently, in view of the overlapping, it is imperative to determine which of the parties' titles [were issued] earlier.

From a cursory glance at the titles (T-163622 to 163624) of the Davis spouses over Lots 91, 92 and 96, it is apparent that their issuance was recent, having been issued only on December 11, 1992. However, Teody Teovisio (Record Officer of the Register of Deeds of Negros Occidental) and surveyor Ariel Peñaranda testified that Lots 91, 92 and 96 covered by T-163622 to 163624 have the same technical description as Lots 91, 92 and 96 covered by TCT T-64737, T-64738 and T-64742 and registered in the name of Jose L. Yulo. In other words, the titles of the Davis spouses are derived from Jose L. Yulo who, as early as October 18, 1971, was issued the transfer certificates of title for Lots 91, 92, and 96. On the other hand, the titles (T-126644 to 126646) of the defendants-appellants over Lots 3, 4 and 5 are derived from TCT T-113427 [sic] covering Lot 72 which mother title was issued only on September 3, 1979.

From the foregoing, it is apparent that at the time the predecessor-in-interest of defendants-appellants were issued its titles in 1979, Lots 91, 92, and 96 now owned by the Davis spouses were already in existence. As testified to by surveyor Petronilo Ayson, it was Lots 91, 92 and 96 that were overlapped by Lots 3, 4 and 5 and not the [other way around] since the defendants-appellants' lots resulted only after the subdivision survey of Lot 72 in 1982. In *MWSS vs. Court of Appeals*,[15] the Honorable Supreme Court pronounced:

> "Where two certificates (of title) purport to include the same land, the earlier in date prevails… In successive registrations, where more than one certificate is issued in respect of a particular estate or interest in land, the person claiming under the prior certificate is entitled to the estate or interest; and the person is deemed to hold under the prior certificate who is the holder of, or whose claim is derived directly or indirectly from the person who was the holder of the earliest certificate issued in respect thereof."

Hence, in priority of issuance, the title of the Davis spouses must be upheld over that of the defendants-appellants, but only with respect to the overlapped portions.

But defendants-appellants insist that Lots 91, 92 and 96 are inexistent lots as can easily be seen from the certified copy of subdivision plan Psd-118336 that they secured from the LRA. However, as between the Torrens titles of the Davis spouses confirming their ownership of Lots 91, 92 and 96 and the

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[15] G.R. No. 103558, November 17, 1992, 215 SCRA 783.

> subdivision plan of defendants-appellants disproving such fact, the Torrens titles must inevitably prevail over the survey plan as the more superior proof of ownership.[16]
>
> It bears stressing that defendants-appellants anchor their appeal on the alleged non-existence of Lots 91, 92 and 96 which are now registered in the name of the plaintiffs-appellees. But to sustain such allegations would necessarily entail the cancellation of the titles of the Davis spouses, which is equivalent to an indirect attack on such titles. Well-settled is the rule that a certificate of title cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law. Hence, on this score, defendants-appellants' claim must likewise fail.
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> Lastly, defendants-appellants question the RTC's order requiring them to "give up" the sixteen (16) square meters that are allegedly included in Lots 91, 92 (and) 96. But a thorough reading of the RTC Decision implies no such ruling. Perhaps the defendants-appellants misunderstood the full import of the RTC's decision. What the court *a quo* concluded – which judgment We wholly sustain – was that plaintiffs-appellees are considered builders in good faith who are duly entitled to the benefits flowing therefrom pursuant to Article 448 of the New Civil Code.
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> It must be remembered that the Davis spouses purchased their titled lots from Nation Bank [which] foreclosed the same from the Gabayeron spouses. Included in such purchase was the Gabayerons' house and fence now owned by the Davises and challenged by the defendants-appellants as encroaching on their lots. Since the Gabayeron spouses constructed the said house and fence on land which they believed was theirs, they are considered builders in good faith which benefit likewise extends in favor of the Davis spouses who purchased the property unaware of any flaw in the same. Article 448 has been applied to improvements or portions of improvements built by mistaken belief on land belonging to the adjoining owner. We quote with approval the ratiocination of the court *a quo* on this matter:
>
> x x x x
>
> It must be noted that good faith is always presumed, and upon him who alleges bad faith on the part of a possessor rests the burden of proof. This being the case, the rights of plaintiffs-appellees as builders in good faith cannot be denied.
>
> WHEREFORE, in view of the foregoing premises, the appeal is hereby DENIED. The assailed Decision of the Regional Trial Court, Branch 55 of Himamaylan City, Negros Occidental in Civil Case No. 648 is AFFIRMED.
>
> SO ORDERED.[17]

Petitioner filed its Motion for Reconsideration, which the CA denied in its assailed July 6, 2011 Resolution. The appellate court held that petitioner raised the same issues which were passed upon in the main decision. As for the award of

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16 Citing *Heirs of Brusas v. Court of Appeals*, 372 Phil. 47 (1999).

17 CA *rollo*, pp. 63-69.

damages, it held that petitioner did not raise the award as an issue in its appeal, and questioned the same for the first time only in its motion for reconsideration; thus, the award must stand.

Hence, the present Petition.

Issues

Petitioner raises the following issues:

> I
> THE HONORABLE COURT OF APPEALS ERRED IN FINDING THAT THE RESPONDENTS HAVE BETTER RIGHTS THAN THE [PETITIONER] IN AS FAR AS LOTS 91, 92 AND 96 ARE CONCERNED AS [IT] DERIVED [OWNERSHIP OVER SAID LOTS] FROM JOSE L. YULO WHO AS EARLY AS OCTOBER 18, 1971 WAS ISSUED THE TRANSFER CERTIFICATES OF TITLE FOR LOTS 91, 92 AND 96.
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> II
> THE HONORABLE COURT OF APPEALS ERRED IN AFFIRMING THE AWARD OF DAMAGES IN THE FORM OF COST OF PLANE [FARE] AND ATTORNEY'S FEES.[18]

Petitioner's Arguments

Petitioner argues in its Petition and Reply[19] that Lots 91, 92 and 96 are non-existent lots and thus the titles thereto are spurious. It points out that Lot 29 (then covered by TCT 36852 and from which Lots 91, 92 and 96 were derived) was subdivided in 1969 into 74 lots only (or Lots 1 to 74 only). Petitioner insists as irrelevant the earlier registration of Lots 91, 92 and 96 in 1971, as compared to the registration of Lots 3, 4 and 5 in 1979, precisely since Lots 91, 92 and 96 are non-existent lots, and thus the titles thereto are void *ab initio*. And, for the same reason that the titles to Lots 91, 92 and 96 are spurious, there could be no overlapping of titles. Petitioner also argues that respondents were not buyers in good faith as they did not cause the survey of the properties at the time they bought the same; that had they inspected the properties and gone beyond the titles thereto prior to the sale, they would have discovered that the house and fence encroached upon adjacent lots. Finally, petitioner contends that the grant of damages and attorney's fees was erroneous because of the absence of a cause of action against it, and because respondents did not suffer any injury.

Thus, petitioner prays that Lots 91, 92 and 96 be declared non-existent; that respondents be ordered to return the land which they occupy; that the award of

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18 *Rollo*, pp. 11-12, 15.
19 Id. at 67-72.

damages and attorney's fees be deleted; that respondents be ordered to remove the improvements which encroached upon its land; and that its counterclaim be granted.

Respondents' Arguments

Respondents, on the other hand, argue in their Comment[20] that the Petition requires a re-evaluation of the evidence, which is proscribed by Rule 45 of the 1997 Rules of Civil Procedure; that in raising the issue of good faith, the petitioner questions the findings of fact of the CA which, as far as this Court is concerned, are final; and that given the unanimous conclusion arrived at by the trial and appellate courts, there is no reason to review their findings of fact and law.

Our Ruling

The Court denies the Petition.

A petition to review the decision of the CA is not a matter of right but of sound judicial discretion.[21] It has been repeatedly held that the jurisdiction of this Court in cases brought before it from the CA is limited to reviewing errors of law; findings of fact of the appellate court are conclusive upon this Court, as it is not its function to analyze and weigh the evidence all over again. There are recognized exceptions to the rule, however, such as: (1) when the findings are grounded entirely on speculations, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the findings of fact are conflicting; (6) when in making its findings the CA went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (7) when the findings are contrary to those of the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; or (11) when the CA manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.[22]

However, petitioner has not shown that this case falls under any of the above exceptions. On the contrary, We are in agreement with the appellate court's

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20 Id. at 61-64.

21 *Komatsu Industries (Phils.) Inc. v. Court of Appeals*, 352 Phil. 440, 446 (1998).

22 *Lorenzo v. Government Service Insurance System*, G.R. No. 188385, October 2, 2013, 706 SCRA 602, 618-619.

pronouncement that respondents' title must be upheld over that of the petitioner's as it is derived from titles that were issued earlier – in 1971, as opposed to 1979 with respect to petitioner's and the Trajeras' properties. The CA's citation of *Manila Waterworks and Sewerage System v. Court of Appeals*[23] is correct. The pronouncement in said case was reiterated in *Spouses Carpo v. Ayala Land, Inc.*,[24] thus:

> x x x (T)his controversy has been reduced to the sole substantive issue of which between the two titles, purporting to cover the same property, deserves priority. This is hardly a novel issue. As petitioners themselves are aware, in *Realty*, it was held that:
>
> > In this jurisdiction, it is settled that '**(t)he general rule is that in the case of two certificates of title, purporting to include the same land, the earlier in date prevails** x x x. In successive registrations, where more than one certificate is issued in respect of a particular estate or interest in land, **the person claiming under the prior certificate is entitled to the estate or interest; and that person is deemed to hold under the prior certificate who is the holder of, or whose claim is derived directly or indirectly from the person who was the holder of the earliest certificate** issued in respect thereof x x x.'
>
> In *Degollacion v. Register of Deeds of Cavite*,[25] we held that '[w]here two certificates of title purport to include the same land, whether wholly or partly, the better approach is to trace the original certificates from which the certificates of title were derived.'

Tracing the origins of the titles involved will disclose that they all came from a single individual – Yulo – who caused his landholding (Lot 62-A) to be subdivided into what are now the contested lots. Indeed, what he did each time – his business model, so to speak – was to subdivide his large landholding into several small plots and one large plot. The small plots he sold, while he kept for future use the single large parcel – to be subdivided once more if he desired to. Thus, in 1963, Yulo subdivided Lot 62-A into several small plots and one large plot (Lot 29). In 1969, he once more subdivided Lot 29 into several plots and one large plot (Lot 72). At this point, the titles from which respondents' titles were derived were issued. Lot 72, on the other hand, was titled in the name of petitioner Jose L. Yulo Agricultural Corporation – which, judging from the nomenclature alone, can safely be said belonged to Yulo, or is connected to him. Then again, in 1982, Lot 72 was further subdivided into several lots and registered in petitioner's name. At this point, the Trajeras purchased one of the subdivided lots.

Given the foregoing, Yulo – and petitioner for that matter, which is a corporation that belonged to Yulo himself or is connected to him and which

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23 Supra note 15.
24 625 Phil. 277, 299 (2010). Emphasis in the original.
25 531 Phil. 501 (2006).

became his successor-in-interest – knew everything as far as his land is concerned, or is charged with knowledge at least. Yulo was the sole owner of the properties involved, and he and his outfit were the sellers of the properties which eventually were acquired by the respondents and the Trajeras. They cannot claim to be ignorant of everything that went on with the properties they owned. They cannot be allowed to benefit from their own mistakes at the expense of the respondents. Indeed, if there is anybody who must be considered in bad faith, it is they; they should have known that there was an overlapping of titles in their very own lands. And if it is true that Lots 91, 92 and 96 are non-existent lots, Yulo and petitioner would have known it; yet Yulo sold them in 1975 to the Madrinas, and eventually found their way to respondents. Indeed, as testified to by the Records Officer of the Register of Deeds of Negros Occidental, Lots 91, 92 and 96 covered by T-163622 to 163624 in the name of respondents have the same technical description as Lots 91, 92 and 96 covered by TCT T-64737, T-64738 and T-64742 and registered in the name of Yulo. In other words, there is no doubt that respondents' titles were derived from Yulo's; this fact is not even assailed or denied by petitioner in any of its pleadings.

As for damages, we can only reiterate what the CA has said. Since the award of damages was raised for the first time in petitioner's motion for reconsideration of the assailed CA Decision and not in its appellant's brief, the award must stand.

> The general rule is that issues raised for the first time on appeal and not raised in the proceedings in the lower court are barred by estoppel. Points of law, theories, issues, and arguments not brought to the attention of the trial court ought not to be considered by a reviewing court, as these cannot be raised for the first time on appeal. To consider the alleged facts and arguments raised belatedly would amount to trampling on the basic principles of fair play, justice, and due process.[26]

WHEREFORE, the Petition is **DENIED**. The assailed May 29, 2009 Decision and July 6, 2011 Resolution of the Court of Appeals in CA-G.R. CV No. 00155 are **AFFIRMED**.

SO ORDERED.

MARIANO C. DEL CASTILLO
Associate Justice

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[26] *Ramos v. Philippine National Bank*, G.R. No. 178218, December 14, 2011, 662 SCRA 479, 495.

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

ARTURO D. BRION
Associate Justice

JOSE CATRAL MENDOZA
Associate Justice

MARVIC M.V.F. LEONEN
Associate Justice

CERTIFICATION

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

ANTONIO T. CARPIO
Acting Chief Justice