Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

THE CITY OF VALENZUELA, represented herein by its duly elected mayor, HON. REXLON T. GATCHALIAN, *Petitioner,*	**G.R. No. 236900**
- versus -	Present: LEONEN, *J.*, Chairperson, HERNANDO, INTING, DELOS SANTOS, and LOPEZ, J., *JJ.*
ROMAN CATHOLIC ARCHBISHOP OF MANILA, represented herein by the ROMAN CATHOLIC BISHOP OF MALOLOS, INC., *Respondent.*	Promulgated: April 28, 2021 Mis DC Batt

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D E C I S I O N

DELOS SANTOS, *J.*:

This is a Petition for Review on *Certiorari*[1] under Rule 45 of the Revised Rules of Civil Procedure seeking to reverse and set aside the Decision[2] dated September 14, 2017 and the Resolution[3] dated January 18, 2018 of the Court of Appeals (CA) in CA-G.R. CV No. 104618, affirming the Decision[4] dated September 30, 2014 and the Order[5] dated February 2, 2015 issued by the Regional Trial Court (RTC) of Valenzuela City, Branch 172 in Civil Case No. 143-V-00.

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1 *Rollo*, pp. 10-27.
2 Id. at 35-50; penned by Associate Justice Carmelita Salandanan Manahan, with Associate Justices Fernanda Lampas Peralta and Elihu A. Ybañez, concurring.
3 Id. at 31-34.
4 Id. at 115-126; penned by Judge Nancy Rivas-Palmones.
5 Id. at 135.

Facts

The facts, as found by the CA, are as follows:

At the center of this case is a 2,000-square meter (sq.m.) parcel of land located at Barangay Marulas, Municipality of Polo, Bulacan (presently located at the City of Valenzuela) covered by Transfer Certificate of Title (TCT) No. T-25538 (T-71534) of the Registry of Deeds for the Province of Bulacan under the name of the Roman Catholic Archbishop of Manila (respondent).[6]

On March 30, 1955, Pastor B. Constantino (Constantino) executed a Deed of Donation transferring to respondent a parcel of land with an area of 2,000 sq.m. The deed contained a provision that the lot would be a site for a church and convent. The subject land was subsequently registered in the name of respondent under TCT No. T-25538 (T-71534).[7]

On several occasions, Constantino also executed several Deeds of Donation in favor of the City of Valenzuela (petitioner) covering several lots, some of which are also in Barangay Marulas.[8]

On April 25, 2000, respondent, represented by the Roman Catholic Bishop of Malolos, Inc. (RCBMI), filed a Complaint for Recovery of Possession and Damages[9] before the RTC against petitioner. The case was docketed as Civil Case No. 143-V-00 and raffled to the RTC of Valenzuela City, Branch 172.[10]

Respondent alleged that sometime in 1992 and 1993, petitioner, through the then incumbent Barangay Captain of Barangay Marulas, Ernesto De Guzman (De Guzman), occupied and used 1,189 sq.m. of the property, bequeathed to the church by Constantino, where a two-storey building and a sports complex were built without respondent's consent. The said two-storey building was used as the Barangay Hall of Marulas and Police/Fire Station of petitioner.[11]

Respondent further averred that it was only in 1998 that petitioner expressed its intention to acquire the said property and even offered to exchange some of its properties. However, respondent found the properties offered comparable to the size of the property occupied by petitioner.

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6 Id. at 35.
7 Id. at 36.
8 Id.
9 Id. at 54-60.
10 Id. at 36.
11 Id.

Moreover, respondent ascribed bad faith on the part of petitioner such that in May 1999, it commended the construction to expand the two-storey building still without the consent of respondent.[12]

As a result, respondent prayed for the reconveyance of the land and the demolition of all improvements built thereon by petitioner at its expense. Respondent also sought that petitioner be ordered to pay ₱2,000,000.00 for the lost income over the subject property, ₱500,000.00 as exemplary damages, ₱200,000.00 as attorney's fees, and ₱2,000.00 as counsel's appearance fee per hearing.[13]

De Guzman, in his Answer,[14] denied the allegations of bad faith, claiming that the property in question has been occupied and possessed by petitioner in good faith since 1962. He stated that he learned about the claim of respondent in 1998 after receiving a demand letter dated May 21, 1998. De Guzman also raised that respondent had no cause of action against him inasmuch as he was no longer the barangay captain of Barangay Marulas, but the incumbent vice mayor of Valenzuela City. Moreover, he averred that the claim of respondent had already prescribed and laches has set in.[15]

He emphasized that assuming there was any donation to respondent, Constantino had already revoked or rescinded the same by allowing Barangay Marulas, the Department of Education, Culture and Sports (DECS, now Department of Education), the Philippine National Police (PNP), and the Bureau of Fire Protection (BFP) to use the land in question for public purpose. De Guzman also faulted respondent for not impleading Barangay Marulas, the DECS, the PNP, and the BFP, which are indispensible parties in the case. Finally, he questioned respondent's inaction for almost 45 years and the violation of the condition mentioned in the deed.[16]

On August 10, 2000, Domingo Montalbo (Montalbo), Barangay Captain of Barangay Marulas, filed his Answer[17] reiterating the arguments of De Guzman. He also contended that the improvements over the land have a total market value of ₱9,437,338.54 and total assessed value of ₱3,316,900.00. He prayed for the dismissal of the complaint and the payment of the following amounts: ₱1,000,000.00 as moral damages, ₱500,000.00 as exemplary damages, ₱200,000.00 as actual damages, and the costs of suit. Finally, he prayed in the alternative that in the event that the court ordered him to vacate the land, respondent must pay the total value of

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12 Id.
13 Id. at 37.
14 Not attached to the *rollo*.
15 *Rollo*, p. 37.
16 Id.
17 Not attached to the *rollo*.

the improvements over the land.[18]

Petitioner filed its Answer[19] which echoed the arguments of De Guzman and Montalbo. Furthermore, petitioner explained that it did not express its intention to acquire the subject property, but the meetings were for the purpose of finding solutions to the problem. Petitioner likewise prayed for the dismissal of the complaint.[20]

Respondent, in its Reply,[21] denied the allegations of De Guzman and Montalbo stating that they only had themselves to blame for failing to reconvey the property to respondent.[22]

Respondent filed an Urgent *Ex Parte* Motion to Set the Case for Pre-Trial Conference which was granted by the trial court in its Order dated November 15, 2000.[23]

After the filing of the parties' respective pre-trial briefs, respondent moved for leave of court to file an amended complaint. On the other hand, De Guzman filed a Motion and Manifestation to drop him as a defendant in the case as he ceased to be the barangay captain of Barangay Marulas in 1998 and vice mayor of Valenzuela City in 2000. Hence, he was not responsible for the administration of the subject property. The trial court denied the said motion in an Order[24] dated December 18, 2001 stating that De Guzman need not be an incumbent public officer to be held liable for damages.[25]

On February 8, 2002, the pre-trial conference was terminated. The issues to be resolved were as follows:

1. Whether or not plaintiff Roman Catholic Archdiocese of Manila is the registered owner of the property subject of this case;
2. Whether or not defendants in bad faith forcibly entered, occupied upon the portion of the subject property and constructed thereon structures consisting of a barangay hall, police station and sports complex;
3. Whether or not plaintiff Roman Catholic Archdiocese of Manila is entitled to recover possession of the portion of the subject property from the defendants;

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18 *Rollo*, pp. 37-38.
19 Id. at 70-78.
20 Id. at 38.
21 Not attached to the *rollo*.
22 *Rollo*, p. 38.
23 Id.
24 Not attached to the *rollo*.
25 *Rollo*, p. 38.

4. Whether or not the registered owner appearing on the transfer of certificate of title used by the plaintiff which is the Roman Catholic Archdiocese of Manila is the same juridical person as the plaintiff;
5. Whether or not the improvements erected on the subject lot were built in good faith and its total value;
6. Whether or not the attached draft of a petition marked as Annex P in the answer was prepared by the plaintiff (sic) former counsel; and
7. Whether or not the prevailing party is entitled to damages.[26]

Trial on the merits ensued. During the examination of Rev. Fr. Miguel Paez (Rev. Fr. Paez), it came to the attention of the RTC that the plaintiff was the Roman Catholic Archdiocese of Manila (plaintiff) while the property was registered under the name of respondent. The plaintiff moved for the suspension of the cross-examination and expressed its intention to file a motion for leave of court to file an amended complaint while defendants reserved their right to oppose the said motion. The trial court instructed the plaintiff to file its motion. As a result, the examination of Rev. Fr. Paez was held in abeyance.[27]

Respondent filed its Motion for Leave to File and Admit Attached Amended Complaint stating that the error in the caption was due to inadvertence and merely a typographical error. Respondent emphasized that in the body of the complaint, the plaintiff indicated was "the Roman Catholic Archbishop of Manila" and invoked the rule that the body of the complaint is controlling in case of disparity with the caption.[28]

Petitioner filed its Opposition stating that admitting the Amended Complaint would make the first issue to be resolved moot since one of their defenses was that the plaintiff had no cause of action against them.[29]

The RTC admitted the Amended Complaint[30] in an Order dated October 7, 2002 stating that there was an obvious oversight or inadvertence on the part of the plaintiff.[31]

Respondent then filed anew a Motion to Set the Case for Pre-Trial, but this was opposed by petitioner in its Manifestation and Motion asseverating that there was no need for pre-trial since the change in the amended complaint was limited to the change of the original plaintiff. The trial court granted the motion of petitioner and ordered the continuation of examination

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[26] Id. at 39.
[27] Id.
[28] Id. at 39-40.
[29] Id. at 40.
[30] Id. at 61-68.
[31] Id. at 40.

of witness Rev. Fr. Paez.[32]

Trial on the merits continued. After the presentation of evidence for petitioner and respondent, the RTC submitted the case for decision.

In a Decision[33] dated September 30, 2014, the RTC ruled in favor of respondent. The trial court found petitioner in bad faith for refusing to vacate the subject property despite demands from respondent. The dispositive portion reads:

> WHEREFORE, judgement is hereby rendered in favor of the plaintiff and against the defendants, declaring the latter as builders and possessors in bad faith. The court hereby orders the defendants, their agents, representatives, or any person or persons acting on their authority, their heirs, successors in interest and all those claiming rights under them to vacate the 1,189-square meter lot, a portion of the lot covered by TCT NO. T-225538 (T-71534), located in Barangay Marulas, Valenzuela City, occupied by them, which is owned by the plaintiff and to deliver the possession thereof to the plaintiff; and to remove at their expense, all improvements, they have contracted or erected thereon within thirty (30) days from the finality of this decision. The defendants are also ordered jointly and severally to pay plaintiff monthly rent of P10,000.00 from the filing of the complaint on April 25, 2000 until possession of the land is delivered to plaintiff. The defendants are also ordered to pay jointly and severally plaintiff the sum of P100,000.00 as attorney's fees and costs of suit.
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> SO ORDERED.[34]

Petitioner subsequently filed a Motion for Reconsideration dated October 31, 2014.[35]

On February 2, 2015, the RTC issued an Order[36] denying the Motion for Reconsideration.

Aggrieved, petitioner filed on February 10, 2015 its notice of appeal. Petitioner then filed its Appellant's Brief[37] dated August 20, 2015 before the CA.

In turn, respondent filed its Appellee's Brief dated October 9, 2015.[38]

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[32] Id.
[33] Id. 115-126.
[34] Id. at 126.
[35] Id. at 127-132.
[36] Id. at 135.
[37] Id. at 136-157.
[38] Id. at 159-178.

In a Decision[39] dated September 14, 2017, the CA dismissed the appeal and affirmed with modifications the ruling of the RTC.

The CA found that petitioner became aware of the claim of respondent being the title holder to the property on May 21, 1998 upon receipt of its demand letter, but nonetheless pushed the expansion of the improvements. Such act constitutes bad faith, hence the obligation to remove the improvements at its own expense. The dispositive portion reads:

> **WHEREFORE**, premises considered, the *Appeal* is **DENIED** (sic). The *Decision* dated September 30, 2014 rendered by the Regional Trial Court, Branch 172, Valenzuela City in ***Civil Case No. 143-V-00*** is **AFFIRMED WITH MODIFICATIONS**. Defendant-appellant City of Valenzuela, its agents, representatives, or any person or persons acting on their authority, their heirs, successors-in-interest and all those claiming rights under them to vacate the 1,189-square meter lot, a portion of the lot covered by TCT No. T-225538 (T-71534) registered under the name of Roman Catholic Archbishop of Manila located in Barangay Marulas, Valenzuela City, occupied by them and to deliver the possession thereof to the plaintiff-appellee and to remove at their expense all improvements they have constructed thereon within sixty (60) days from finality of this Decision.
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> Defendant-appellant City is also ordered to pay plaintiffs-appellees monthly rent of P10,000.00 from the filing of this complaint on April 25, 2000 until possession of the land is delivered to plaintiff-appellee. Defendant-appellant City is further ordered to pay jointly and severally plaintiff-appellee the sum of One Hundred Thousand Pesos (P100,000.00) as attorney's fees.
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> **SO ORDERED**.[40]

Undaunted, petitioner filed a Motion for Reconsideration[41] dated October 10, 2017.

On November 6, 2017, respondent submitted its Comment.[42]

In a Resolution[43] dated January 18, 2018, the CA denied the Motion for Reconsideration.

Refusing to concede, on March 12, 2018, petitioner filed a Petition for Review on *Certiorari* under Rule 45 of the Revised Rules of Civil Procedure raising the following issues:

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39 Id. at 35-50.
40 Id. at 49-50.
41 Id. at 179-186.
42 Id. at 33.
43 Id. at 31-34.

I.

The Court of Appeals seriously erred when it ruled that the issue of authority of RCBMI to file the case in behalf of RCAM was not raised at the earliest opportunity, when in truth, the same was properly raised at the onset and throughout the proceeding.

II.

The Court of Appeals seriously erred when it affirmed that RCBMI and RCAM are entitled to recovery of possession when in fact, it was not able to present sufficient proof to identify the property in accordance with Article 434 of the New Civil Code.

III.

The Court of Appeals seriously erred when it affirmed the Decision of the lower court that the case is not barred by laches.

IV.

The Court of Appeals seriously erred when it ruled that CGOV is a builder in bad faith and should pay damages when it is undisputed that the City did not initiate the construction of the subject sports complex and not the actual possessor of the subject property.[44]

On April 18, 2018, the Court issued a Resolution[45] requiring respondent to file a Comment within 10 days from notice; and petitioner to fully comply with the Rules by submitting, within five (5) days from notice, a proper verification of the petition in accordance with Section 1, Rule 45 in relation to Section 4, Rule 7, and a valid certification of non-forum shopping in accordance with Section 5, Rule 7 of the 1997 Rules of Civil Procedure, as amended, as the authority to sign the verification and certification against forum shopping was not attached to the petition.

On May 29, 2018, petitioner submitted its Compliance[46] to the Resolution dated April 18, 2018 of the Court.

On July 13, 2018, respondent filed a Motion to Admit Comment[47] and Comment[48] on the Petition for Review on *Certiorari* dated March 12, 2018.

On September 3, 2018, the Court issued a Resolution[49] noting the separate compliances filed by the counsel for petitioner, granting the motion to admit comment filed by respondent, and requiring petitioner to file a reply thereto within ten (10) days from notice.

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[44] Id. at 15-16.
[45] Id. at 194-195.
[46] Id. at 199-203.
[47] Id. at 205-207.
[48] Id. at 208-219.
[49] Id. at 221-222.

On March 7, 2019, respondent filed a Manifestation[50] stating that it has been more than 100 days since RCBMI received the notice from the Court, however, it has yet to receive a copy of the Reply that petitioner was required to submit.

On April 3, 2019, the Court issued a Resolution[51] noting the manifestation filed by respondent.

On August 19, 2019, another Resolution[52] was issued by the Court, resolving to dispense with the reply of petitioner.

Our Ruling

The fundamental issue that the Court must resolve is whether or not the CA correctly held that petitioner is a builder in bad faith and therefore liable to pay damages.

Preliminarily, We shall address petitioner's apathetic attitude towards this case. The Court notes that the counsel for petitioner has yet to file a reply to the comment on the petition required in the Resolution dated September 3, 2018. This act constitutes willful disobedience of the lawful orders of this Court, which not only works against petitioner's case as it is now deemed to have waived the filing of its reply, but more importantly is in itself a sufficient cause for the counsel's suspension or disbarment pursuant to Section 27,[53] Rule 138 of the Rules of Court. Such attitude constitutes utter disrespect to the judicial institution. A Court resolution is "not to be construed as a mere request, nor should it be complied with partially, inadequately, or selectively."[54]

In *Falsification of Daily Time Records of Ma. Emcisa A. Benedictos, Administrative Officer I, Regional Trial Court, Malolos City, Bulacan,*[55] the Court ratiocinated:

> A resolution of the Supreme Court should not be construed as a mere request, and should be complied with promptly and completely. Such

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50 Id. at 223-227.
51 Id. at 228-229.
52 Id. at 232.
53 **Sec. 27.** ***Attorneys removed or suspended by Supreme Court on what grounds.*** – A member of the bar may be removed or suspended from his office as attorney by the Supreme Court for any deceit, malpractice, or other gross misconduct in such office, grossly immoral conduct, or by reason of his conviction of a crime involving moral turpitude, or for any violation of the oath which he is required to take before the admission to practice, or for a wilful disobedience of any lawful order of a superior court, or for corruptly or wilful appearing as an attorney for a party to a case without authority so to do.
54 *Dimayuga v. Atty. Rubia*, A.C. No. 8854, July 3, 2018.
55 675 Phil. 459 (2011).

> failure to comply accordingly betrays not only a recalcitrant streak in character, but also disrespect for the Court's lawful order and directive. This contumacious conduct of refusing to abide by the lawful directives issued by the Court has likewise been considered as an utter lack of interest to remain with, if not contempt of, the system. Benedictos's insolence is further aggravated by the fact that she is an employee of the Judiciary, who, more than an ordinary citizen, should be aware of her duty to obey the orders and processes of the Supreme Court without delay.[56]

Proceeding to the merits of the case, We find the petition bereft of merit.

At the onset, it bears reiterating that the Court is not a trier of facts. The Court held in *Heirs of Villanueva v. Heirs of Mendoza*:[57]

> The function of the Court in petitions for review on *certiorari* under Rule 45 of the Rules of Court is limited to reviewing errors of law that may have been committed by the lower courts. As a matter of sound practice and procedure, the Court defers and accords finality to the factual findings of trial courts. To do otherwise would defeat the very essence of Rule 45 and would convert the Court into a trier of facts, which is not its intended purpose under the law.[58]

In *Angeles v. Pascual*,[59] the Court ruled:

> In appeal by *certiorari*, therefore, only questions of law may be raised, because the Supreme Court is not a trier of facts and does not normally undertake the re-examination of the evidence presented by the contending parties during the trial. The resolution of factual issues is the function of lower courts, whose findings thereon are received with respect and are binding on the Supreme Court subject to certain exceptions. A question, to be one of law, must not involve an examination of the probative value of the evidence presented by the litigants or any of them. There is a question of law in a given case when the doubt or difference arises as to what the law is on certain state of facts; there is a question of fact when the doubt or difference arises as to the truth or falsehood of alleged facts.
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> Whether certain items of evidence should be accorded probative value or weight, or should be rejected as feeble or spurious; or whether or not the proofs on one side or the other are clear and convincing and adequate to establish a proposition in issue; whether or not the body of proofs presented by a party, weighed and analyzed in relation to contrary evidence submitted by adverse party, may be said to be strong, clear and convincing; whether or not certain documents presented by one side should be accorded full faith and credit in the face of protests as to their spurious character by the other side; whether or not inconsistencies in the

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56 Id. at 465-466.
57 810 Phil. 172 (2017).
58 Id. at 177-178.
59 673 Phil. 499 (2011).

> body of proofs of a party are of such gravity as to justify refusing to give said proofs weight — all these are issues of fact. Questions like these are not reviewable by the Supreme Court whose review of cases decided by the CA is confined only to questions of law raised in the petition and therein distinctly set forth.
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> Nonetheless, the Court has recognized several exceptions to the rule, including: *(a)* when the findings are grounded entirely on speculation, surmises or conjectures; *(b)* when the inference made is manifestly mistaken, absurd or impossible; *(c)* when there is grave abuse of discretion; *(d)* when the judgment is based on a misapprehension of facts; *(e)* when the findings of facts are conflicting; *(f)* when in making its findings the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; *(g)* when the findings are contrary to those of the trial court; *(h)* when the findings are conclusions without citation of specific evidence on which they are based; *(i)* 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; *(j)* when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and *(k)* when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.[60]

Further, the Court explained in *Heirs of Villanueva*:[61]

> Thus, the test of whether a question is one of law or of fact is not the appellation given to such question by the party raising the same; rather, it is whether the appellate court can determine the issue raised without reviewing or evaluating the evidence, in which case, it is a question of law; otherwise, it is a question of fact. And it is only in exceptional circumstances that the Court admits and reviews questions of fact.[62]

Here, while both the RTC and the CA arrived at similar findings of fact, a review of evidence on record behooves the Court to carefully reexamine and reconsider the factual findings of the lower courts.

Defenses and objections not pleaded either in a motion to dismiss or in the answer are deemed waived.

Petitioner contends that the CA seriously erred when it did not pass upon the issue of authority of RCBMI to initiate the Complaint without proper authorization from respondent at the time of the filing of the Complaint on the basis that it was not raised at the earliest opportunity. Petitioner asserts that it raised the issue of authority of RCBMI to file the

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[60] Id. at 504-506.
[61] Supra note 57.
[62] Id. at 178.

instant case all throughout the proceeding, contrary to the findings of the CA.[63]

We do not agree.

After a careful review of the records, We found that petitioner failed to include these issues on the pre-trial. These arguments are nowhere to be found in their Answer[64] filed on August 16, 2000 and Pre-Trial Brief[65] filed on December 11, 2000. The issue of the authority of RCBMI to pursue the case was never contemplated by petitioner until their Memorandum[66] filed on April 7, 2014.

The CA is correct when it ruled that it cannot take cognizance of the issues which are belatedly asserted.[67] Defenses and objections not pleaded either in a motion to dismiss or in the answer are deemed waived.[68]

Nevertheless, it is undisputed that the registered owner of the 2,000-sq.m. lot as shown in TCT No. T-225538 (T-71534) is respondent. The RTC and the CA already established that the subject lot was donated to respondent by one Pastor B. Constantino by virtue of a "Deed of Donation" executed on May 30, 1955. During that time, RCBMI was not yet created by respondent, as the RCBMI was created only on November 25, 1961. When RCBMI was created by respondent, all properties of the latter within the Province of Bulacan, including those under petitioner, became under the administration of RCBMI. Hence, RCBMI is a real party in interest and has legal standing to sue on behalf of respondent.

A certificate of title is conclusive evidence with respect to the ownership of the land.

Petitioner posits that the CA erred when it affirmed that respondent is entitled to recovery of possession when in fact, it was not able to present sufficient proof to identify the property in accordance with Article 434 of the New Civil Code as respondent failed to identify the metes and bounds of the land.

Moreover, petitioner asserts that RCBMI did not present any witness to identify the subject property and recognize its location in relation to the

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63 *Rollo*, p. 17.
64 Id. at 70-78.
65 Id. at 79-86.
66 Id. at 98-114.
67 Id. at 42.
68 Section 1, Rule 9, Rules of Court.

parcel of land being occupied by the PNP and Fire Station, Barangay Hall of Barangay Marulas, Valenzuela and other government agencies subject of the case other than the bare allegation of Fr. Rodrigo Samson (Fr. Samson).

Article 434 of the New Civil Code provides:

> Art. 434. In an action to recover, the property must be identified, and the plaintiff must rely on the strength of his title and not on the weakness of the defendant's claim.

In *Sps. Decaleng v. Philippine Episcopal Church*,[69] the Court held:

> An *accion [reivindicatoria]* is an action to recover ownership over real property. Article 434 of the New Civil Code provides that to successfully maintain an action to recover the ownership of a real property, the person who claims a better right to it must prove two things: first, the identity of the land claimed by describing the location, area, and boundaries thereof; and second, his title thereto.[70]

Hence, with regard to the first requisite, in an *accion reivindicatoria,* the person who claims that he/she has a better right to the property must fix the identity of the land he/she is claiming by describing the location, area and boundaries thereof. Anent the second requisite, *i.e.*, the claimant's title over the disputed area, the rule is that a party can claim a right of ownership only over the parcel of land that was the object of the deed.[71]

The Court finds that respondent was able to successfully prove both requisites by preponderance of evidence, both documentary and testimonial.

The identity of the property over which respondent asserts ownership is well established. During trial before the RTC, the TCT was presented and offered as evidence to prove the identity of the subject property belonging to respondent. On the other hand, petitioner failed to present evidence to prove that the subject lot was part of the properties donated to petitioner by Constantino. To further prove the identity of the property, respondent also offered the testimonies of Fr. Samson who inspected the subject property and negotiated with petitioner to solve the matter of illegal encroachments on the property of respondent.[72] In short, the ownership of the subject property and the identity of the lot are beyond dispute. As the trial court correctly observed, the meeting held by both parties on August 14, 1998 would also show that petitioner acknowledged that respondent owns the lot

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[69] 689 Phil. 422 (2012).
[70] Id. at 438.
[71] *Del Fierro v. Seguiran*, 670 Phil. 577, 589 (2011).
[72] *Rollo*, pp. 119-120.

where petitioner's structures were erected when they offered replacement for the lot they had occupied.[73]

Petitioner also argues that respondent failed to present a lot plan, tax map or any kind of reference to identify the subject property as described in the TCT No. T-225538.

In *Carvajal v. Court of Appeals*,[74] the Court ruled:

> The law does not require resorting to a survey plan to prove the true boundaries of a land covered by a valid certificate of title; the title itself is the conclusive proof of the realty's metes and bounds. Section 47 of the Land Registration Act, or Act No. 496, provides that "(t)he original certificates in the registration book, any copy thereof duly certified under the signature of the clerk, or of the register of deeds of the province or city where the land is situated, and the seal of the court, and also the owner's duplicate certificate, shall be received as evidence in all the courts of the Philippine Islands and shall be conclusive as *to all matters* contained therein except so far as otherwise provided in this Act." It has been held that a certificate of title is conclusive evidence with respect to the ownership of the land described therein and other matters which can be litigated and decided in land registration proceedings.[75]

In *Carvajal*, the Court further explained that a certificate of title is conclusive evidence with respect to ownership of the land described therein and other matters which can be litigated and decided in land registration proceedings. It cited *Odsigue v. Court of Appeals*,[76] which held:

> Petitioner contends that private respondents have not identified the property sought to be recovered as required by Art. 434, of the Civil.Code. He alleges that Sitio Aduas, where the land in question is located, is at the boundary of Barangay May-Iba, Teresa, Rizal, and Barangay Lagundi, Morong, Rizal. On the other hand, petitioner maintains, the parcel of land he is occupying is located in Barangay May-Iba. He claims that the technical description in the title does not sufficiently identify the property of private respondent and that a geodetic survey to determine which of his improvements should be demolished should first have been conducted by the private respondent.
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> But private respondent's title (OCT No. 4050) indicates that the property is located in Barangay Lagundi. Likewise, the certification issued by the Municipal Agrarian Reform Officer at Morong, Rizal stated that petitioner was occupying a landholding at Barangay Lagundi.

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[73] Id. at 121.
[74] *Carvajal v. Court of Appeals*, 345 Phil. 582 (1997).
[75] Id. at 593-594.
[76] 304 Phil. 25 (1994).

> For our purposes, *a survey is not necessary. A certificate of title is conclusive evidence not only of ownership of the land referred but also its location.* The subject of these proceedings is the land covered by OCT No. 4050. Accordingly, petitioners required to demolish only whatever is constructed within its boundaries.[77] (Italics supplied)

Further, as held by the Court in *Department of Education v. Tuliao*,[78] a geodetic survey is only required when both parties present their respective titles. In this case, only respondent presented a title over the land. Petitioner failed to present any title reflecting its claim over the subject lot. Hence, the presentation of a geodetic survey is unnecessary.

Laches will not set in when there is no delay in asserting one's rights.

Petitioner invokes that the CA seriously erred when it affirmed the Decision of the lower court that the case is not barred by laches.

In *Heirs of Nieto v. Municipality of Meycauayan, Bulacan*,[79] the Court explained:

> Laches has been defined as the failure or neglect, for an unreasonable and unexplained length of time, to do that which, by exercising due diligence could or should have been done earlier. It is the negligence or omission to assert a right within a reasonable time, warranting the presumption that the party entitled to assert his right has either abandoned or declined to assert it.[80]

In *Sps. Oropeza v. Allied Banking Corporation*,[81] the Court, citing the ruling in *Heirs of Nieto*, enumerated all the elements constituting laches:

> [L]aches is not concerned only with the mere lapse of time. The following elements must be present in order to constitute laches:
>
> (1) conduct on the part of the defendant, or of one under whom he claims, giving rise to the situation of which complaint is made for which the complaint seeks a remedy;
>
> (2) delay in asserting the complainant's rights, the complainant having had knowledge or notice, of the defendant's conduct and having been afforded an opportunity to institute a suit;

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77 Id. at 29-30.
78 735 Phil. 703 (2014).
79 564 Phil. 674 (2007).
80 Id. at 680.
81 G.R. No. 222078, April 1, 2019.

> (3) lack of knowledge or notice on the part of the defendant that the complainant would assert the right on which he bases his suit; and
>
> (4) injury or prejudice to the defendant in the event relief is accorded to the complainant, or the suit is not held to be barred.[82]

The Court agrees with the CA and the RTC that in the case at bar, laches had not set in since not all the elements of laches are present. As found by the RTC, it was only in 1997 that RCBMI, the successor in interest of respondent, discovered that respondent owns the subject property. After the said discovery, RCBMI immediately asserted its right by meeting with petitioner. After negotiations failed, RCBMI instantly filed a complaint against petitioner on behalf of respondent. Such actions negate the allegations of petitioner that respondent slept on its rights.

A builder in good faith is unaware that there exists in his title any flaw which invalidates it; otherwise, he is considered a builder in bad faith.

The remaining issue which needs to be resolved is whether the CA erred in ruling that petitioner is a builder in bad faith and should be liable to pay damages.

Bad faith contemplates a state of mind affirmatively operating with furtive deign or some motive of self-interest or ill will for ulterior purposes.[83] To be deemed a builder in good faith, it is essential that a person asserts title to the land on which he builds, *i.e.*, that he be a possessor in the concept of owner, and that he be unaware that there exists in his title or mode of acquisition any flaw which invalidates it.[84]

The factual circumstances surrounding the instant case led the Court to inevitably conclude that petitioner was a builder in bad faith.

Petitioner's defense that it was the national government, through the Countrywide Development Fund of then Senator Freddie Webb, which initiated the project is of no moment. While this Court agrees that petitioner was in good faith in the beginning when they built the structures, relying on the Deed of Donation by Constantino, it is undisputed that petitioner was made aware of the claim of respondent on May 21, 1998 upon receipt of respondent's demand letter. Despite this, petitioner still pushed through with the construction of the expansion of the sports complex on the subject lot.

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[82] Supra note 79, at 681.
[83] *Villanueva v. Sandiganbayan*, 295 Phil. 615, 623 (1993).
[84] *Princess Rachel Development Corp. v. Hillview Marketing Corp.*, G.R. No. 222482, June 2, 2020.

Such act of petitioner constitutes bad faith. A builder in good faith is unaware that there exists in his title any flaw which invalidates it; otherwise, he is considered a builder in bad faith.

Heirs of Durano v. Spouses Uy[85] has summarized the remedies available to the landowner:

> The Civil Code provides:
>
> Art. 449. He who builds, plants or sows in bad faith on the land of another, loses what is built, planted or sown without right of indemnity.
>
> Art. 450. The owner of the land on which anything has been built, planted or sown in bad faith may demand the demolition of the work, or that the planting or sowing be removed, in order to replace things in their former condition at the expense of the person who built, planted or sowed; or he may compel the builder or planter to pay the price of the land, and the sower the proper rent.
>
> Art. 451. In the cases of the two preceding articles, the landowner is entitled to damages from the builder, planter or sower.
>
> Based on these provisions, the owner of the land has three alternative rights: (1) to appropriate what has been built without any obligation to pay indemnity therefor, or (2) to demand that the builder remove what he had built, or (3) to compel the builder to pay the value of the land. In any case, the landowner is entitled to damages under Article 451, abovecited.[86]

Considering that respondent prays for the affirmation of the Decision of the CA which also affirmed the Decision of the RTC, respondent is deemed to have chosen the second option or to demand that the builder remove what it had built.

Award of damages.

Article 451 of the Civil Code grants the landowner the right to recover damages from a builder in bad faith. While it does not provide the basis for damages, the amount thereof should reasonably correspond with the value of the properties lost or destroyed as a result of the occupation in bad faith, as well as the fruits from those properties that the landowner reasonably expected to obtain.[87]

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[85] 398 Phil. 125 (2000).
[86] Id. at 153-154.
[87] *Princess Rachel Development Corp*, supra note 84.

Accordingly, We affirm the CA's award of actual damages to respondents in the amount of ₱10,000.00 per month from the date of filing of the complaint on April 25, 2000 until possession of the land is delivered to respondent.

Moreover, since Article 451 of the New Civil Code guarantees the award of damages in favor of the landowner and as further punishment for the builder's bad faith, We find it proper to award nominal damages. Nominal damages are awarded in cases where property right was invaded. Articles 2221 and 2222 of the Civil Code provide:

> ART. 2221. Nominal damages are adjudicated in order that a right of the plaintiff, which has been violated or invaded by the defendant, may be vindicated or recognized, and not for the purpose of indemnifying the plaintiff for any loss suffered by him.
>
> ART. 2222. The court may award nominal damages in every obligation arising from any source enumerated in Article 1157, **or in every case where any property right has been invaded**.

Since petitioner violated the property rights of respondent, the Court finds that nominal damages in the amount of ₱100,000.00 is warranted under the circumstances. Petitioner is also ordered to pay the sum of ₱100,000.00 as attorney's fees.

WHEREFORE, premises considered, the Petition is **DENIED**. The Decision dated September 14, 2017 and the Resolution dated January 18, 2018 of the Court of Appeals in CA-G.R. CV No. 104618, affirming the Decision dated September 30, 2014 and the Order dated February 2, 2015 of the Regional Trial Court of Valenzuela City, Branch 172 in Civil Case No. 143-V-00 are hereby **AFFIRMED with MODIFICATIONS**. The City Government of Valenzuela, its agents, representatives, or any person or persons acting on their authority, their heirs, successors-in-interest and all those claiming rights under them, upon finality of this Decision, are hereby ordered to immediately **VACATE** the subject property and **DELIVER** its peaceful possession to respondent, Roman Catholic Archbishop of Manila.

Petitioner is likewise ordered to **PAY** respondent ₱10,000.00 as monthly rental plus interest thereon at the rate of 6% *per annum*, to be computed from April 25, 2000 until possession of the land is delivered to respondent.

Petitioner is further ordered to **PAY** respondent ₱100,000.00 representing nominal damages and additional ₱100,000.00 as attorney's fees.

SO ORDERED.

EDGARDO L. DELOS SANTOS
Associate Justice

WE CONCUR:

MARVIC MARIO VICTOR F. LEONEN
Associate Justice
Chairperson

RAMON PAUL L. HERNANDO
Associate Justice

HENRI JEAN PAUL B. INTING
Associate Justice

JHOSEP Y. LOPEZ
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
Chairperson, Third Division

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