



Republic of the Philippines
 Supreme Court
 Manila

THIRD DIVISION

LUIS SERRANO (DECEASED), G.R. No. 210338

substituted by his heirs **ATTY.**

LENITO T. SERRANO, CARMELO Present:

A. SERRANO,* DIMPNA

SERRANO-ARCANGEL, and LEONEN, J., Chairperson,**

ATTY. JOSE O. CORTEZ, HERNANDO,

Petitioners, INTING,

DELOS SANTOS, and

LOPEZ, J., JJ.

- versus -

ROSA P. ESPEJO, MANUELA P.

CORPUZ, and SALVADOR Promulgated:

CORPUZ,

Respondents. March 17, 2021

Mielocraft

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DECISION

INTING, J.:

Before the Court is a Petition for Review on *Certiorari*¹ filed pursuant to Rule 45 of the Rules of Court assailing the Decision² dated February 27, 2013 and the Resolution³ dated December 3, 2013 of the Court of Appeals (CA) in CA-G.R. CV. No. 93477. The assailed Decision and Resolution declared Rosa P. Espejo, Manuela P. Corpuz, and Salvador Corpuz (respondents) as lawful owners of the property involved herein, effectively reversing and setting aside the Decision⁴ dated December 18, 2008 of Branch 11, Regional Trial Court (RTC), Laoag City in Civil Case No. 11155.⁵

* A Motion to Substitute Deceased Parties was filed with the Court of Appeals on account of the death of Carmelo A. Serrano and Dimpna Serrano-Arcangel during the pendency of the Motion for Reconsideration, CA *rollo*, pp. 317-319. See Certificate of Death of Carmelo A. Serrano, *id.* at 321.

** See Certificate of Death of Dimpna Serrano-Arcangel, *id.* at 322.

¹ *Rollo*, pp. 10-39.

² *Id.* at 42-52; penned by Associate Justice Edwin D. Sorongon with Associate Justices Hakim S. Abdulwahid and Marlene Gonzales-Sison, concurring.

³ *Id.* at 53-54.

⁴ *Id.* at 108-133; penned by Judge Perla B. Querubin.

⁵ Also written as Civil Case No. 11155-11 in some pleadings attached in the *rollo*.

The Antecedents

The case involves an action for quieting of title filed by respondents over a 978-square meter (sq.m.) unregistered parcel of land located in Brgy. 3, San Ildefonso, Nicolas, Ilocos Norte (subject property).

Respondents traced their ownership of the subject property to a parcel of land owned by Evaristo Piedad (Evaristo), who died in 1968 and had Tax Declaration (TD) Nos. 018547, 27135, 424963, and 51077 issued in his favor from 1906 to 1983. Evaristo is the brother of Rosa P. Espejo (Rosa) and Cipriano Piedad, who had a daughter, Manuela P. Corpuz, married to Salvador Corpuz.⁶

In 1995, TD No. 93-001-00623⁷ over the 978-sq.m. subject property was issued to Luis Serrano (Luis)⁸ and Carmelo (Carmelo) Serrano (collectively, the Serranos) by virtue of an Affidavit⁹ of Ownership (1994 Affidavit). Thereafter, the Serranos, through a Deed of Absolute Sale,¹⁰ conveyed a 678-sq.m. portion (disputed area) of the subject property to Spouses Manuel and Susan Dumlao (Spouses Dumlao), who caused its subdivision into two lots and constructed a building thereon.¹¹

Alleging that the declaration made by the Serranos of their ownership over the subject property was null and void and that Spouses Dumlao were purchasers in bad faith, respondents filed an action for quieting of title against the Serranos and Rodolfo Sambrano, and the purchasers, Spouses Dumlao.¹² The complaint likewise sought the award for moral and exemplary damages, attorney's fees, and litigation expenses.

Although the Serranos admitted the sale in favor of Spouses

⁶ *Rollo*, p. 109.

⁷ Records, p. 593.

⁸ As culled from the Regional Trial Court (RTC) Decision dated December 18, 2018, Luis Serrano died on June 22, 1998 which was during the pendency of the case before the RTC and was substituted by his son and counsel Atty. Lenito T. Serrano, *rollo*, p. 111.

⁹ See Affidavit dated June 13, 1994, records, p. 592.

¹⁰ *Id.* at 591.

¹¹ *Rollo*, p. 109.

¹² Records, pp. 1-4.

Dumlao, they denied respondents' claim of ownership over the subject property and asserted that they inherited it from Estefania Serrano de Cabanos (Estefania), who in turn, obtained it by virtue of a will from Gregoria B. Cabanos (Gregoria).¹³ The Serranos countered that their predecessors-in-interest enjoyed actual, physical, and peaceful possession of the subject property which was open and adverse to Evaristo; and that Evaristo even acknowledged their ownership of the 978-sq.m. subject property which left only 963 sq.m. in Evaristo's favor.¹⁴

Meanwhile, Spouses Dumlao asserted their status as purchasers in good faith and for value of the disputed area.¹⁵

Dimpna Serrano-Arcangel (Dimpna) was impleaded as co-defendant upon motion of the Serranos.¹⁶ Moreover, by virtue of a Third-Party Complaint¹⁷ of the Serranos with Dimpna against Jose O. Cortez, the latter adopted the Answer of the Serranos¹⁸ and was subsequently impleaded as co-defendant.¹⁹

Ruling of the RTC

In the Decision²⁰ dated December 18, 2008, the RTC dismissed respondents' complaint and petitioners' compulsory counterclaim.

The RTC found the following facts: Gregoria and Ignacia Bonoan Cabanos (Ignacia), who married Mariano Piedad, were sisters who were the co-owners of the entire 1,820-sq.m. property. Estefania is Gregoria's daughter-in-law as she was the wife of Gregoria's only son, Andres. On the other hand, Luis was the appointed administrator of the properties of Estefania. Luis and Carmelo are the children of Modesto L. Serrano, the brother of Estefania.²¹

In support of the Serranos' ownership over the subject property,

¹³ *Rollo*, p. 110.

¹⁴ *Id.* at 111.

¹⁵ *Id.*

¹⁶ Records, pp. 103-106.

¹⁷ *Id.* at 141-149.

¹⁸ See Manifestation and Motion dated December 1, 1998, *id.* at 180-181.

¹⁹ See Order dated December 10, 1998 of Branch 11, RTC, Laoag City penned by Judge Perla B. Querubin, *id.* at 183.

²⁰ *Rollo*, pp. 108-133.

²¹ *Id.* at 123, 131.

the RTC gave credence to the testimonies in relation to the 1958 Cadastral Survey conducted on the entire property as witnessed by Evaristo, as representative of the heirs of the late Ignacia, and Luis, as administrator of the estates of the late Gregoria and Estefania.

The RTC also found that the San Nicolas Cadastral Plan revealed a partition of the entire property into Lot 138 and Lot 139.²² It appreciated TD No. 28225 for the year 1971 which, although in the name of Evaristo, included a "Note" indicating that the area of Lot 139 is 963 sq.m. while the area of Lot 138 is 978 sq.m. It ruled that doubt existed as to respondents' ownership because of their omission to explain the subdivision of the entire property into two lots.²³ It also declared that while tax declarations become strong evidence of ownership, it must also be coupled with proof of actual possession which must be clear, complete, and conclusive—a fact which Evaristo failed to conclusively prove as against the Serranos' unrefuted possession of the subject area since 1956 at the behest of a caretaker, Laureano Agustin (Agustin).²⁴

Ruling of the CA

Upon appeal, the CA, in a Decision²⁵ dated February 27, 2013, reversed and set aside the RTC Decision. The dispositive portion of the CA Decision reads:

WHEREFORE, above premises duly considered, the instant Appeal is hereby GRANTED. We, therefore, REVERSE and SET ASIDE the assailed Decision dated December 18, 2008 of the Regional Trial Court of Laoag City, Branch 11. Accordingly, a new judgment is entered as follows:

- I.) Declaring plaintiffs-appellants Rosa P. Espejo, Manuela Corpuz and Salvador Corpuz as the lawful owners of the lot in suit;
- II.) Declaring as NULL and VOID the following acts:
 - (a) the tax declarations made by the defendants-appellees in their names over the 978 square meter Lot No. 138 and the same be placed back either to the name/s of Evaristo Piedad or to

²² *Id.* at 132.

²³ *Id.*

²⁴ *Id.* at 133.

²⁵ *Id.* at 42-52.

plaintiffs-appellants; and

- (b) the defendants-appellees Carmelo Serrano and Luis Serrano's sale in favor of defendants-appellees Manuel Dumlao and Susan Dumlao over an area of 678 square meters portion of the subject land.

III.) Ordering the defendants-appellees to jointly and solidarily pay the plaintiffs-appellants the amount [of] P50,000.00 as and by way of attorney's fees.

SO ORDERED.²⁶

Contrary to the conclusions of the RTC, the CA emphasized that respondents were in possession of the entire property long before the date when the Serranos declared a portion of it for taxation purposes.²⁷ It noted that other than the Serranos' bare assertion that Evaristo consented, participated in the cadastral survey, and agreed to have a lesser share, no proof was presented to evince that there was an onerous or gratuitous transmission of a portion of the entire property to Gregoria.²⁸ It found quite puzzling how the Serranos acquired tax declarations for the year 1985 and later on in 1994 without any indubitable title over an existing deed transferring ownership to Gregoria when the property was still declared under the name of Evaristo from 1926 up to 1949 until the year 1997. It further cited the fact that the same property was provisionally declared in the name of Miguel and Presentacion B. Piedad (Presentacion), siblings of Evaristo, with the latter's consent, when it was mortgaged to Laoag Rural Bank.²⁹

As to the existence of two tax declarations covering the same property, the CA explained that it would palpably appear that the certifications and tax declarations in favor of respondents issued by a government agency, particularly the Office of the City Provincial Assessor, are spurious, but in the absence of substantial proof that those were fraudulently obtained, the presumption of regularity stands. There was also no evidence presented to counter the series of tax declarations in the name of Evaristo.³⁰

²⁶ *Id.* at 51-52.

²⁷ *Id.* at 47.

²⁸ *Id.* at 48.

²⁹ *Id.*

³⁰ *Id.* at 50.

The CA further ruled that, resultantly, the sale in favor of Spouses Dumlao was a patent nullity considering that it found the respondents as the true owners of the entire property; and that the issue as to whether Spouses Dumlao were purchasers in good faith or bad faith is irrelevant considering that the subject property in question was an unregistered lot.³¹

The CA awarded attorney's fees to respondents because they were forced to litigate and incurred expenses to protect their rights through an action to quiet title.³²

Petitioners moved to reconsider the CA Decision, but the CA denied it in a Resolution dated December 3, 2013.

Aggrieved, petitioners elevated the case to the Court *via* a Petition for Review on *Certiorari*.

The Issue

The main issue in this case is whether the CA committed reversible error in granting the quieting of title in favor of respondents.

Our Ruling

The petition is meritorious.

An action for quieting of title has for its purpose the determination of the respective rights of the complainant and the other claimants.³³ Any instrument, record, claim, encumbrance or proceeding which appears to be valid or effective but is in truth and in fact invalid, ineffective, voidable, or unenforceable, and causes prejudice to a title to real property or any interest therein is considered a cloud thereto which may be removed through an action for quieting of title.³⁴ This could include

³¹ *Id.* at 50-51.

³² *Id.* at 51.

³³ *Heirs of Delfin and Maria Tappa v. Heirs of Jose Bacud, et al.*, 783 Phil. 536, 547 (2016), citing *Baricuatro, Jr. v. Court of Appeals*, 382 Phil. 15, 25 (2000).

³⁴ Article 476 of the Civil Code of the Philippines which provides:

ARTICLE 476. Whenever there is a cloud on title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable, or

any action to prevent a cloud from being cast upon a title to real property or any interest therein.³⁵

There are two indispensable requisites for an action to quiet title to prosper: (1) the plaintiff or complainant has a legal or an equitable title to or interest in the real property subject of the action; and (2) the deed, claim, encumbrance, or proceeding claimed to be casting a cloud on his/her title must be shown to be in fact invalid or inoperative despite its *prima facie* appearance of validity or legal efficacy.³⁶

*As to the first requisite:
Respondents failed to prove
their legal or equitable title over
the subject property.*

The first step to determine the propriety of an action to quiet title is the existence of the complainant's legal or equitable title or interest in the property. There is no cloud to be prevented or removed where no such legal or equitable title or interest exists. Legal title denotes registered ownership, while equitable title means beneficial ownership.³⁷

In this case, respondents claim that Evaristo is the owner of the entire property and that they have been in possession thereof in the concept of an owner openly, peacefully, and publicly as heirs of Evaristo.³⁸ They presented a series of tax declarations to support their claim over the entire property, with the earliest one dating back to 1926 under Tax Declaration No. 39294-a-3³⁹ issued to Evaristo.

But respondents' claim of possession of the entire property in the concept of an owner openly, peacefully and publicly as heirs of Evaristo is contrary to the evidence forwarded by petitioners which showed that there were TD Nos. 535723⁴⁰ and 617187⁴¹ in the name of the heirs of

unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title.

³⁵ *Id.*

³⁶ *Heirs of Delfin and Maria Tappa v. Heirs of Jose Bacud, et al.*, *supra* note 33 at 547-548, citing *Calacaia v. Republic of the Philippines*, 502 Phil. 681, 689 (2005) and *Mananquil, et al. v. Moico*, 699 Phil. 120, 127 (2012).

³⁷ *Delos Reyes, et al. v. Municipality of Kalibo, Aklan, et al.*, 826 Phil. 617, 623 (2018).

³⁸ *Rollo*, p. 109.

³⁹ Records, p. 414.

⁴⁰ *Id.* at 209.

⁴¹ *Id.* at 210.

Gregoria which covered the subject property for the years 1983 and 1985 to 1990. There was also TD No. 93-001-00476⁴² issued in 1994 in the name of the heirs of Gregoria Bonoan which cancelled TD No. 617187. As a matter of fact, it was TD No. 93-001-00476 which was cancelled by the 1994 Affidavit with the issuance of TD No. 93-001-00623⁴³ in the names of the Serranos in 1995. Even the 1994 Affidavit recognized that the subject property was declared for taxation purposes under TD No. 617187. Veritably, even before the 1994 Affidavit and TD No. 93-001-00623 of the Serranos, the heirs of Gregoria already had tax declarations in their favor.

The table below is the list of the tax declarations presented with respect to respondents' ownership rooted from Evaristo:

TD	Year Issued	TD Cancelled	Total Area Covered
TD No. 39294-a-3 issued to Evaristo	1926	TD No. 43001	1,820 sq.m. ⁴⁴
TD No. 018547 issued to Evaristo	1949	TD No. 39294-a-3	1,820 sq.m. ⁴⁵
TD No. 27607 issued to Evaristo	1969	TD No. 018547	1,820 sq.m. ⁴⁶
TD No. 28225 issued to Evaristo with a Note that the area of Lot 139 is 963 sq.m. while Lot 138 is 978 sq.m. making a total of 1941 sq.m. according to the San Nicolas Cadastre. Cancelled 28226-28227	1971	TD No. 27607	1,941 sq.m. ⁴⁷
TD No. 28226 issued to Presentacion, Pedro B. Piedad, Manuela B.	1971	TD No. 28225-part	1,293 sq.m. ⁴⁸

⁴² *Id.* at 542.

⁴³ *Id.* at 593.

⁴⁴ *Id.* at 414.

⁴⁵ *Id.* at 415.

⁴⁶ *Id.* at 416.

⁴⁷ *Id.* at 417.

⁴⁸ *Id.* at 418.

Piedad and Miguel B. Piedad			
TD No. 28227 issued to Evaristo	1971	TD No. 28225- part	648 sq.m. ⁴⁹
TD No. 28371 issued to Presentacion	1972	TD No. 28220	1,293 sq.m. ⁵⁰
TD No. 425700 issued to Evaristo	1974	TD No. 27607	1,820 sq.m. ⁵¹
TD No. 433696 issued to Miguel Piedad and Presentacion	1974	TD No. 426319	1,293 sq.m. ⁵²
TD No. 531915 issued to Miguel Piedad and Presentacion	1980	TD No. 433696	1,293 sq.m. ⁵³
TD No. 97-001-00648 issued to Evaristo (deceased) with the following Note: This is also declared under ARP No. 97-001-00481 and 97- 001-00483 in the name of Carmelo and Luis and Spouses Dumlao respectively. Affidavit: Doc. No. 1176, Page No. 67, Book No. CCCVIII, Series of 1997, Notary Public Angel Respicio.	1997	TD No. 531915	978 sq.m. ⁵⁴
TD No. 97-001-00649 issued to Evaristo (deceased) with Note: Affidavit: Doc. No. 1176, Page No. 67, Book No. CCCVIII, Series of 1997,	1997	TD No. 97-001- 00478	963 sq.m. ⁵⁵

⁴⁹ *Id.* at 419.

⁵⁰ *Id.* at 533.

⁵¹ *Id.* at 409.

⁵² *Id.* at 411.

⁵³ *Id.* at 536.

⁵⁴ *Id.* at 537.

⁵⁵ *Id.* at 538.

Notary Public Angel A. Respicio.			
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Aside from the foregoing is respondents' Certification from the Municipal Treasurer of San Nicolas, Ilocos Norte to the effect that the subject property covered by TD No. 97-001-00648 issued to Evaristo is not delinquent on the payment of realty tax as evidenced by official receipts showing payments for the years 1980 to 1984, 1985 to 1993, 1994 to 1995, and 1996 to 1997, all settled on the same day, particularly on March 11, 1997.⁵⁶ At first glance, the certification could bolster respondents' claim of ownership on the basis of their tax declarations. However, it should be noted that the Complaint is dated December 20, 1996.⁵⁷ This would lead to no other conclusion than that at the time of the filing of the Complaint, respondents have been delinquent in their payment of the realty taxes on the property for a period of at least 15 years, or from 1981 to 1996. The last realty tax payment made before the filing of the Complaint was only in 1980, assuming TD No. 531915 issued to Miguel and Presentacion included and/or pertained to the same subject property. For the Court, the belated payment of the realty taxes made on March 11, 1997 during the pendency of the complaint below was a mere afterthought to establish a semblance of regularity in the tax declarations issued to Evaristo as basis for their claim of ownership. Veritably, respondents could not anchor their claim of ownership on the tax declarations issued to Evaristo at the time of the filing of the Complaint because they have not paid the realty taxes due thereon since 1980.

Moreover, respondents' tax declarations sowed confusion in their claim of ownership and possession of the subject property. The tax declarations presented by respondents indicated varying land areas which appear irreconcilable. The very first tax declaration issued to Evaristo which dates back to 1926 covered only 1,820 sq.m. In 1971, as shown in TD No. 28225 still in the name of Evaristo, the area has increased to 1,941 sq.m. despite the fact that the tax declaration it cancelled only pertained to 1,820 sq.m. In 1974, as shown in TD No. 425700 issued to Evaristo, the land area reverted to the original 1,820 sq.m. In the same year, TD No. 433696 was issued to Miguel and Presentacion which covered only 1,293 sq.m. All of this, to the mind of the Court, raises more questions than answers.

⁵⁶ *Id.* at 443.

⁵⁷ *Id.* at 4.

Even the retransfer of the subject property from Miguel and Presentacion to Evaristo raises doubts. Respondents alleged that Evaristo authorized the mortgage of the subject property covered by TD No. 28371 in the name of Presentacion to Laoag Rural Bank, Inc. which involved Lots 139 and 138.⁵⁸ Per Certification from the Laoag Rural Bank, Inc., the mentioned property was mortgaged in 1972.⁵⁹ Based from the tax declarations presented, the subject property remained declared in the name of Miguel and Presentacion through TD No. 531915 until 1980 despite the settlement of the mortgage in 1974.⁶⁰ As to how it was retransferred to Evaristo, the process was not substantiated because after 1980, the next tax declaration presented was TD No. 97-001-00648 issued to Evaristo in 1997 that cancelled TD No. 531915. Surprisingly, TD No. 97-001-00648 covered the lesser land area of 978 sq.m. There is no indication as to the circumstances surrounding the issuance of TD No. 97-001-00648 which effectively retransferred the subject property to Evaristo, aside from the fact that it cancelled TD No. 531915.

Corollarily, the Serranos presented the following tax declarations:

TD	Year Issued	TD Cancelled	Total Area Covered
TD No. 535723 issued to Heirs of Gregoria	1983	BSC	978 sq.m. ⁶¹
TD No. 601078 issued to Republic of the Phils. (Heirs of Gregoria)	1985	TD No. 535723	978 sq.m. ⁶²
TD No. 617187 issued to Heirs of Gregoria	1985	TD No. 535723, 601078	978 sq.m. ⁶³
TD No. 93-001-00476 issued to Heirs of Gregoria	1994	TD No. 617187	978 sq.m. ⁶⁴
TD No. 93-001-00623 issued to Carmelo Serrano and Luis Serrano with	1995	TD No. 93-001-0476	978 sq.m. ⁶⁵

⁵⁸ *Id.* at 535.

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ *Id.* at 209.

⁶² *Id.* at 546.

⁶³ *Id.* at 210.

⁶⁴ *Id.* at 542.

⁶⁵ *Id.* at 540.

Note: Transferred by virtue of Affidavit as evidenced by Doc. No. 10838; Page No. 68; Book No. XIX, Series of 1994 before Notary Public Bernardo T. Constantino			
TD No. 93-001-00629 issued to Spouses Dumlao with Note: Transferred by virtue of a Deed of Absolute Sale as evidenced by Doc. No. 10949, Page No. 91; Book No. XIX, Series of 1994 of Notary Public Bernardo T. Constantino. Declared also under ARP No. 97-001-00648 in the name of Evaristo.	1995	TD No. 93-001-00623-part	678 sq.m. ⁶⁶
TD No. 97-001-00483 issued to Spouses Dumlao	1997	TD No. 93-001-00629	678 sq.m. ⁶⁷
TD No. 97-001-00481 issued to Serrano, Carmelo & Luis	1997	TD No. 93-001-00628	300 sq.m. ⁶⁸

Aside from the tax declarations, the Serranos presented receipts proving realty tax payments for TD No. 535723 for the years 1975 to 1979 and 1980 to 1984 which were all settled in 1984;⁶⁹ and TD No. 617187 for the years 1985,⁷⁰ 1986,⁷¹ 1987,⁷² 1988,⁷³ 1989,⁷⁴ and 1990.⁷⁵

Veritably, compared to the status of respondents at the time of the filing of the Complaint, the Serranos were up to date in paying the realty

⁶⁶ *Id.* at 543.

⁶⁷ *Id.* at 539.

⁶⁸ *Id.* at 547.

⁶⁹ *Id.* at 212.

⁷⁰ *Id.* at 213.

⁷¹ *Id.* at 214.

⁷² *Id.* at 215.

⁷³ *Id.* at 216.

⁷⁴ *Id.* at 217.

⁷⁵ *Id.* at 218.

taxes on the subject property from 1975 to 1995. It should be noted that the above-mentioned tax declarations consistently covered the same land area of 978 sq.m. and pertained to Lot 138, except for TD No. 97-001-00629 because only 678 sq.m. was sold by the Serranos to Spouses Dumlao.

In addition, upon inquiry as to how Evaristo acquired the property, respondents failed to offer a palpable explanation. On the other hand, petitioners traced their ownership of the subject property to the last will and testament of Gregoria and the relations between the two families. As aptly found by the RTC, ownership over the entire property could be traced to the two sisters, Gregoria and Ignacia. Ignacia and Mariano Piedad are the parents of Evaristo.⁷⁶ Estefania, who appointed Luis as an administrator of her properties, was the daughter-in-law and legatee of Gregoria in her last will and testament.⁷⁷ Thus, there is no basis for respondents to refute the relationship between the two families.

The Court notes the justification provided by petitioners as to how the subject property was acquired by the heirs of Gregoria Bonoan—it is the missing link that could be traced to the 1958 cadastral survey. During the pre-trial, the parties stipulated that in 1958, the whole parcel of land was subjected to a cadastral survey, which caused the partition thereof into Lot A and Lot B.⁷⁸ A Certification⁷⁹ from the Bureau of Lands indicated that the survey was conducted for the heirs of Gregoria and Evaristo. A plausible explanation for the partition of the property is the Survey Notification Card⁸⁰ dated January 16, 1958 addressed to the heirs of Gregoria which described the property as that adjoining the land of Evaristo.⁸¹ Furthermore, the fact that both heirs of Gregoria and Evaristo were apprised of the survey would lead to no other conclusion than that the purpose of the partition was to subdivide the property between the two sisters, Gregoria and Ignacia, which is consistent with the last will and testament of Gregoria. This also corroborates the un rebutted testimony of Agustin, Estefania's caretaker, that petitioners had been in possession of the subject property since 1956.

⁷⁶ *Rollo*, p. 131.

⁷⁷ *Id.*

⁷⁸ See Order dated July 23, 1999 of Branch 11, RTC, Laoag City in Civil Case No. 11155 penned by Judge Perla B. Querubin, records, p. 249.

⁷⁹ *Id.* at 420.

⁸⁰ *Id.* at 207.

⁸¹ *Id.*

Although the Court further notes that there is no sufficient proof that Gregoria's will was probated. Still, the burden of proof in establishing respondents' claim of ownership belonged to the respondents. It is their duty to prove that despite the partition, respondents remained as owners thereof to the exclusion of the heirs of Gregoria, including the Serranos. It was improper for respondents to shift the burden to petitioners in the absence of proof disputing the partition of the property. In line with the application of laches which jurisprudence has defined as the failure or neglect, for an unreasonable and unexplained length of time, to do that which by the exercise of due diligence could or should have been done earlier,⁸² it appears that respondents slept on their rights when they did not question the 1958 Cadastral Survey.

Ostensibly, the CA failed to consider the circumstances surrounding the tax declarations which covered the subject property. The unpaid realty taxes on the subject property by respondents at the time of the filing of the Complaint is telling, considering that they are alleging continued possession of the property on the basis of these tax declarations. It is worthy to stress that the failure to show the indubitable title of Evaristo to the property in question is vital to the resolution of the present petition. It was from him that respondents had allegedly derived their title as owners.

With regard to the prior civil case involving the subject property as resolved in the RTC Decision⁸³ dated July 15, 1983 docketed as Civil Case No. 6936-XIII, and affirmed by the CA in the Decision⁸⁴ dated March 27, 1985 in AC-G.R. No. CV No. 01618-R which attained finality thereafter, the following should be observed: the judgment divided the 1,293-sq.m. property covered by TD No. 28227 among Rosa, the heirs of Cipriano Piedad (namely: Miguel, Pedro, Presentacion, and Manuela), and the heirs of Bernardo Piedad and excluded Evaristo, who died in 1968 without any issue.⁸⁵

With the death of Evaristo in 1968, the Court is puzzled as to why the subject property remained declared in the name of Evaristo even after the CA Decision dated March 27, 1985 that already excluded him

⁸² *Ocampo v. Ocampo*, 813 Phil. 390, 404 (2017).

⁸³ Penned by Judge Jose A. Salomon of Branch XIII, RTC, Laoag City, records, pp. 82-86.

⁸⁴ *Id.* at 87-92; penned by Associate Justice Ma. Rosario Quetulio-Losa with Presiding Justice Ramon G. Gaviola, Jr., Associate Justices Eduardo P. Caguioa and Leonor Ines-Luciano, concurring.

⁸⁵ *Id.* at 84.

as owner. It is also highly questionable that there were transactions which involved Evaristo even after his death, particularly the transfer of the subject property from Evaristo to Presentacion and Miguel and then back to Evaristo in 1997.

A fortiori, for a tax declaration to be a basis for a claim of ownership, it must be accompanied by proof of actual possession of the property.⁸⁶ As applied in this case, proof that the property involved had been declared for taxation purposes from 1926 to 1993 does not constitute proof of possession, nor is it proof of ownership in the absence of the respondents' actual possession of the subject property. From the records, it was not established that respondents adequately proved their actual possession and that of their predecessors-in-interest. The unrebutted testimony of Agustin, caretaker of the properties of Estefania, who occupied a portion of the subject property, showed that petitioners exercised actual possession in the concept of owners which Evaristo acknowledged. While respondents may have proven possession, it was only limited to their portion which apparently excluded the subject property whose possession remained with petitioners.

As to the second requisite:

The 1994 Affidavit was not proven to be invalid or ineffective.

The second requisite for an action to quiet title is likewise wanting. The Court finds that although the 1994 Affidavit of the Serranos exists and allegedly casts cloud on the title of respondents, it was not shown to be in fact invalid or ineffective against respondents' rights to the property.

There is a cloud on a title when: (a) there is an instrument whether a deed, or a contract, or record or claim or encumbrance or proceeding; (b) which is apparently valid or effective; (c) but is, in truth and in fact, invalid, ineffective, voidable or unenforceable, extinguished or terminated, or barred by extinctive prescription; and (d) which may be prejudicial to the title.⁸⁷

⁸⁶ See *Heirs of Juan Oclarit v. Court of Appeals*, 303 Phil. 256, 265 (1994).

⁸⁷ *Heirs of Delfin and Maria Tappa v. Heirs of Jose Bacud, et al.*, *supra* note 33 at 551, citing Paras, *CIVIL CODE OF THE PHILIPPINES ANNOTATED*, 2013 ed., Vol. II, pp. 229-300 and *Green Acres Holdings, Inc. v. Cabral, et al.*, 710 Phil. 235, 257 (2013).

The 1994 Affidavit is indeed an instrument which appears to be valid. It is dated and appears to be executed and signed by the Serranos. It contained a statement that the Serranos are the exclusive owners and possessors of the subject property who have been paying the realty taxes thereon for the past many years. It was also notarized by a notary public; thus, it is considered a public document which enjoys the presumption of validity as to its authenticity and due execution;⁸⁸ more so in the absence of proof that it is invalid, ineffective, voidable, or unenforceable, or extinguished (or terminated), or barred by extinctive prescription. As earlier established, it was not shown that respondents are the exclusive owners and possessors of the subject property at the time of the filing of the Complaint. More importantly, the 1994 Affidavit caused the issuance of TD No. 93-001-00623 to the Serranos which effectively cancelled TD No. 93-001-00476 issued to the heirs of Gregoria. It did not cancel any tax declaration in the name of any of the respondents or their predecessors-in-interest. The 1994 Affidavit covered only the property under TD No. 93-001-00476 which had been declared for taxation purposes as early as 1975 and does not include the property of respondents.

In this regard, the Court cannot sustain the findings of the CA that respondents are the lawful owners of the subject property on the basis of their tax declarations and petitioners' lack of indubitable title. Thus, the Court finds that the action to quiet title should be dismissed in the absence of the required elements as discussed above.

WHEREFORE, the petition is **GRANTED**. The Decision dated February 27, 2013 and the Resolution dated December 3, 2013 of the Court of Appeals in CA-G.R. CV. No. 93477 are **REVERSED and SET ASIDE**. Accordingly, the Decision dated December 18, 2008 of Branch 11, Regional Trial Court of Laoag City in Civil Case No. 11155 which dismissed the complaint of respondents Rosa P. Espejo, Manuela P. Corpuz and Salvador Corpuz for quieting of title is **REINSTATED**.

SO ORDERED.

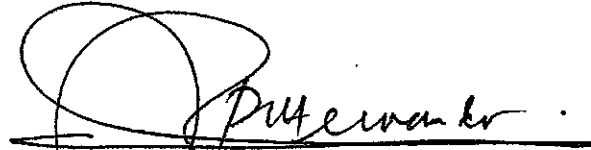

HENRI JEAN PAUL B. INTING
Associate Justice

⁸⁸ *Id.* at 552.

WE CONCUR:



MARVIC M.V.F. LEONEN
Associate Justice
Chairperson



RAMON PAUL L. HERNANDO
Associate Justice



EDGARDO L. DELOS SANTOS
Associate Justice



JHOSEP Y. LOPEZ
Associate Justice

ATTESTATION

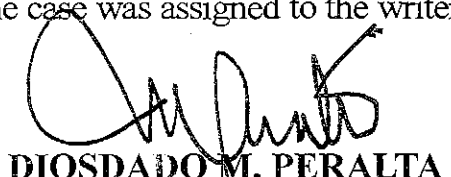
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M.V.F. LEONEN
Associate Justice
Chairperson

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.



DIOSDADO M. PERALTA
Chief Justice

