



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

MARIA LUISA MORALES,

G.R. No. 247367

Petitioner,

Present:

CAGUIOA, J., *Chairperson,*

INTING,

GAERLAN,

DIMAAMPAO,* and

SINGH, JJ.

- versus -

ABNER DE GUIA, represented by

his Attorney-in-Fact, NOMERIANO Promulgated:

DE GUIA,

Respondent. December 5, 2022

X ----- MisDCCBatt ----- X

DECISION

INTING, J.:

Before the Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court assailing the Decision² dated June 18, 2018 and the Resolution³ dated February 13, 2019 of the Court of Appeals (CA) in CA-G.R. CV No. 103406. The CA affirmed the Decision⁴ dated May 15, 2014 of Branch 72, Regional Trial Court (RTC), Olongapo City in Civil Case No. 514-0-2000 which ruled in favor of respondent Abner de Guia (Abner) in an action for recovery of

* On official leave.

¹ *Rollo*, pp. 13-47.

² Id. at 49-59. Penned by Associate Justice Maria Elisa Sempio Diy and concurred in by Associate Justices Jose C. Reyes, Jr. (now a former Member of the Court) and Pablito A. Perez.

³ Id. at 76-80. Penned by Associate Maria Elisa Sempio Diy and concurred in by Associate Justices Pablito A. Perez and Germano Francisco D. Legaspi.

⁴ Id. at 81-108. Penned by Presiding Judge Richard A. Paradeza.

possession and ownership of real property, annulment of tax declarations, and damages. Petitioner Maria Luisa Morales (Maria Luisa) is one of the defendants in the RTC.

The Antecedents

Sometime in 1966,⁵ Abner bought an unregistered parcel of land from Beatriz and Esperidion Sabangan (Spouses Sabangan) with an area of 18,000 square meters and situated at Sitio Maquinaya, now known as Abra Street Extension, *Barangay* Barretto, Olongapo City (subject property).⁶ The sale was evidenced by a *Deed of Sale of Miscellaneous Improvements and Transfer of Possessory Rights over Land*.⁷ The lot had a two-storey residential house made of mixed wood and galvanized iron. Abner built a concrete fence on the whole property, but it was later submerged during the Mt. Pinatubo eruption.⁸

In 1968, former Mayor Amelia Gordon asked Abner if he could provide a place where Dominador Morales (Dominador) and his family (Morales family) could stay. Abner allowed the Morales family to stay on the property.⁹ In 1971, Abner was issued Tax Declaration (TD) No. 24666¹⁰ covering the entire property.

On May 9, 1975, Dominador and Abner's wife, Diana de Guia, executed an Agreement¹¹ wherein Dominador acknowledged the superior right and interest of Abner as owner of the property. Dominador also agreed to act as the overseer and tenant of the property. In consideration thereof, Abner allowed the Morales Family to stay on the property free of charge. Dominador agreed to vacate the property upon reasonable notice.¹²

In 1975, Abner and his family migrated to the United States of America (USA) where Abner, later on, became a naturalized American citizen. While abroad, Abner helped Dominador send his children to

⁵ 1968 in both the RTC and the CA Decisions but the Deed of Sale was executed in 1966. See *id.* at 50, 81, and records, p. 63.

⁶ *Rollo*, p. 81.

⁷ Records, p. 63.

⁸ *Rollo*, pp. 81-82.

⁹ *Id.* at 82.

¹⁰ Records, pp. 64-64A.

¹¹ *Id.* at 214.

¹² *Rollo*, p. 82.

school. Abner trusted Dominador to take good care of the property.¹³

Unknown to Abner, Dominador declared portions of the property under Dominador and his children's names for tax purposes.¹⁴ The Morales Family constructed a bungalow on the property in place of the two-storey residential house.¹⁵

Thus, on December 14, 2000, Abner, represented by his Attorney-in-fact, Nomeriano de Guia (Nomeriano), filed an *Action for Recovery of Possession and Ownership of Real Property, Annulment of Documents and Damages*¹⁶ against the Morales Family, namely: Dominador, Maria Luisa, Salvador Morales (Salvador) and Cristina Morales (Cristina), and one Novenson Antonio (Novenson) (collectively, Dominador, *et al.*); and The Assessor of the City of Olongapo. The case was docketed as Civil Case No. 514-0-2000.

In the complaint, Abner alleged, *inter alia*, the following:

Dominador and his children took advantage of his absence and fraudulently declared portions of the property in their names, under the following TD: TD No. 001-4366 in the name of Dominador;¹⁷ TD No. 9400101121¹⁸ in the name of Salvador with an area of 760 square meters; TD No. 9400101122¹⁹ in the name of Cristina with an area of 1,000 square meters, and TD No. 9400101132²⁰ in the name of Maria Luisa with an area of 921 square meters.²¹ The four parcels of land have an aggregate area of about 3,681 square meters.²²

Abner also averred that because some portions of the property were sold to various buyers, TD No. 24666 under his name was cancelled; and the property is now declared for taxation purposes under TD Nos. 9400104661 and 9400104662²³ in his name, covering the lot and building, respectively.

¹³ Id. at 51.

¹⁴ Id. at 82-83.

¹⁵ Id.

¹⁶ Records, pp. 1-14.

¹⁷ No mention of the area declared under Tax Declaration No. 001-4366 can be found on the records.

¹⁸ Id. at 23.

¹⁹ Id. at 24.

²⁰ Id. at 25.

²¹ See *id.* at 5.

²² See Petition, *rollo*, p. 17.

²³ Records, p. 224.

Dominador, *et al.* applied for title over the property with the Bureau of Lands, but they were prevented by Abner's counsel, Atty. Cornelio Cardenas (Atty. Cardenas).²⁴ Still, Maria Luisa was able to submit to the Bureau of Lands and the Office of the City Assessor of Olongapo City her Miscellaneous Sales Application dated August 27, 1992 over a portion of the property, along with the following documents: *Barangay* Certification dated January 11, 1983; Certification from the Department of Environment and Natural Resources (DENR), Olongapo City dated August 5, 1992; Indorsement from the Bureau of Lands to the City Planning Office dated August 26, 1992; and Lot Plan.²⁵

In 1997, Salvador executed a Waiver and Transfer of Possessory Rights over a 240-square meter portion of the property in favor of Novenson. Consequently, Novenson declared the said portion of the property under his name for taxation purposes and applied a Miscellaneous Sales Application with the Community Environment and Natural Resources Office (CENRO) of Olongapo City.²⁶

Thus, Abner prayed that the RTC: order Dominador, *et al.* to vacate the premises; order the Office of the City Assessor of Olongapo City to cancel TD Nos. 9400101132, 001-4366, 9400101122, 9400101121 and 001-4699 in the names of Maria Luisa, Dominador, Cristina, Salvador and Novenson, respectively; order the Bureau of Lands and the CENRO to cancel the applications of Maria Luisa and Novenson on the 240-square meter portion of the property; and order Dominador, *et al.* to pay attorney's fees and moral damages.²⁷

In their Answer with Counterclaim,²⁸ Dominador, *et al.*, by way of special and affirmative defenses, averred that Abner is a naturalized American citizen, and having lost his Philippine citizenship, he is disqualified to acquire and own lands of the public domain.²⁹ They maintained that lands of the public domain may only be acquired by citizens of the Philippines as stated under Sections 3 and 7, Article XII of the 1987 Constitution.

²⁴ Id. at 6.

²⁵ Id.

²⁶ Id. at 7.

²⁷ Id. at 9-11.

²⁸ Id. at 46-53.

²⁹ Id. at 49.

Dominador, *et al.* further asserted that Abner offered Dominador to live in the property in exchange for the latter's services as his caretaker.³⁰ In their defense, they argued that the Morales Family looked after the property because Abner assured them that he would give them a portion thereof. Thus, during Martial Law, Abner instructed Dominador and his workers to apply for miscellaneous sales applications before the Bureau of Lands covering portions of the property. However, these applications never pushed through. Subsequently, in 1975, Abner's wife convinced Dominador to sign the Agreement in exchange for the property.³¹

For his part, Novenson countered that he was a buyer in good faith and that he purchased the 240-square meter portion of the subject property from Salvador by virtue of a "Waiver and Transfer of Possessory Rights." He disavowed any knowledge pertaining to the dispute between Abner and the Morales family.³²

Dominador died on October 18, 2002³³ and during the pendency of the case. His daughter and Maria Luisa, substituted him in the case.

The Ruling of the RTC

In the Decision³⁴ dated May 15, 2014, the RTC ruled in favor of Abner and against Dominador, *et al.* The dispositive portion of the decision states:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff and against the defendants, ordering:

a. The defendants to vacate the subject premises located at Abra Extension, *Barangay* Barretto, Olongapo City previously covered by Tax Declaration Nos. 9400104661 (for the land) and 9400104662 (for the building);

b. The City Assessor of Olongapo to cancel Tax Declaration Nos. 001-4366, 940000101121, 940000101122,

³⁰ Id.

³¹ Id. at 50.

³² *Rollo*, pp. 87-88.

³³ See Certificate of Death, records. p. 116.

³⁴ *Rollo*, pp. 81-108.

940000101132, and 001-4699 in the name of defendants Dominador Morales, Salvador Morales, and Novenson Antonio, respectively;

c. The defendants to pay jointly and severally the amount of Php50,000.00 as moral damages;

d. The defendants to pay jointly and severally the amount of Php30,000.00 as attorneys (*sic*) fees;

e. The defendants to pay the costs of this suit.

SO ORDERED.³⁵

The RTC held that Abner clearly substantiated his claim that he is the owner of the subject property when he presented a copy of the *Deed of Sale of Miscellaneous Improvements and Transfer of Possessory Rights over Land* dated July 5, 1966 executed in his favor by Spouses Sabangan. His title or right over the property thus emanated from the sale. The subdivision plan prepared for Abner which clearly described the boundaries and the adjoining owners of the property, tax receipts, and several waivers of possessory rights, supported Abner's claim that indeed he is the true owner of the property.³⁶

The RTC ruled that it is uncontroverted that the Morales Family acted as the overseer and caretakers of the property after Abner left for the USA. They were in bad faith when they secured tax declarations in their names and applied for title over portions of the property.³⁷

The RTC declared that the prohibition against the transfer or conveyance of real property of land of the public domain to one who is not a Filipino finds no application in the case. Abner asserted his possessory rights over a property which he had purchased in 1966 or while he was still a Filipino citizen; and he was already the owner of the property and is not merely acquiring it for the first time. Thus, there is no basis for Dominador, *et al.* to assert that Abner had no legal personality and capacity to file the case against them as the property is a public land, and thus, may only be acquired by citizens of the Philippines.³⁸

³⁵ Id. at 108.

³⁶ Id. at 103.

³⁷ Id. at 103-104.

³⁸ Id. at 104-105.

Aggrieved, Dominador, *et al.* filed a Notice of Appeal. The RTC gave due course to the appeal in its Order³⁹ dated August 11, 2014. Novenson did not appeal the RTC Decision.

The Ruling of the CA

In the assailed Decision⁴⁰ dated June 18, 2018, the CA denied the appeal. The *fallo* of the CA decision reads:

WHEREFORE, premises considered, the appeal filed by defendants-appellants is hereby DENIED.

The questioned Decision dated May 15, 2014 of Branch 72, Regional Trial Court of Olongapo City in Civil Case No. 514-0-2000 entitled “*Abner De Guia[,] represented herein by his Atty-in-fact, Nomeriano de Guia vs. Dominador Morales, Maria Luisa Morales, Salvador Morales, Cristina Morales, Novenson Antonio[,] and The Assessor of the City of Olongapo*” is hereby AFFIRMED in accordance with the pronouncements in this Decision.

Costs against defendants-appellants.

SO ORDERED.⁴¹ (Italics in the original)

The CA denied the appeal on the ground that Dominador, *et al.* cannot arrogate the subject property unto themselves for the simple reason that they are mere caretakers who cannot deny the title of their landlord. Article 1436 of the New Civil Code provides that “a lessee or a bailee is estopped from asserting title to the thing leased or received, as against the lessor or bailor.”⁴² Verily, Dominador, *et al.* are estopped from questioning Abner’s title or interest over the subject property.

Dominador, *et al.* sought reconsideration, but the CA denied it in a Resolution⁴³ dated February 13, 2019.

Undaunted, Maria Luisa, one of the defendants, filed the present Petition.

³⁹ Records, p. 658.

⁴⁰ *Rollo*, pp. 49-59.

⁴¹ *Id.* at 58.

⁴² *Id.* at 55.

⁴³ *Id.* at 76-80.

Petitioner's Arguments

Maria Luisa asserts that the CA erred when it ruled that the tenant is not permitted to deny the landlord's title pursuant to Article 1436 of the New Civil Code. She maintains that Abner conveyed and gave to their family the disputed portion of the property consisting of 3,681 square meters in consideration for their services as caretakers. She argues that Abner had no legal capacity to file the complaint before the RTC because the property is a public land; thus he is prohibited to own and acquire it under the Constitution. Finally, she avers that the Morales Family had been in actual, open, continuous, adverse, public and notorious possession, in the concept of an owner, of the disputed portion of the property, and the acquisitive prescription had already set in favor of them, giving them the right to own and possess it.⁴⁴

Respondent's Counter Arguments

In his Comment,⁴⁵ Abner maintains that he is the rightful owner of the whole property. He argues that the Morales Family acted in bad faith when they declared a portion of the property under their names knowing fully well that they are mere caretakers thereof; thus, without any right to apply for a Miscellaneous Sales Application covering it.⁴⁶

Abner also contends that Maria Luisa's allegation that he forfeited his rights over the subject property, being a naturalized American citizen, is untenable. He stresses that he was still a natural-born Filipino citizen when he purchased the subject property sometime in 1968. Therefore, he was not disqualified under the Philippine Constitution and the laws to acquire either a private property or an alienable and disposable land of the public domain in the Philippines. By his acquisition of the property by virtue of the sale at that time, he acquired a vested right over it. Abner thus insists that he is still the lawful owner of the property in question and continues to be as such even after he had already espoused a foreign citizenship.⁴⁷

⁴⁴ Id. at 31-32.

⁴⁵ Id. at 148-151.

⁴⁶ Id. at 148-150.

⁴⁷ Id. at 150-151.

Issues

The two main issues in the case are: (1) whether Abner, as a naturalized American citizen, retained his ownership and possessory rights over the subject property and (2) whether Maria Luisa and her family have established that Abner gave them the portion of the property which they occupied; thus they had validly acquired ownership over the disputed portion.

Our Ruling

The petition is without merit.

In the case, Abner filed a complaint against Dominador, *et al.* for the recovery of possession and ownership of an unregistered land, also known as *accion reivindicatoria*. Under Article 434⁴⁸ of the New Civil Code, 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 and *second*, his [or her] title thereto.⁴⁹ In other words, *accion reivindicatoria* is an action whereby plaintiff alleges ownership over a parcel of land and seeks recovery of its full possession.⁵⁰ It is a suit to recover possession of a parcel of land as an element of ownership. Thus, the basic question in such an action is whether the plaintiff has presented sufficient evidence to prove his [or her] ownership of the properties in question.⁵¹

As early as in 1966, Abner acquired the possessory rights to the property through a *Deed of Sale of Miscellaneous Improvements and Transfer of Possessory Rights over Land*⁵² wherein Spouses Sabangan ceded to Abner their rights over the property; the sale document clearly indicated the property's boundaries. Thereafter, Abner declared the property for tax purposes under his name in 1971 and built a fence over the property.

⁴⁸ Article 434 of the 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.

⁴⁹ *Heirs of Teresita Villanueva v. Heirs of Petronila Mendoza*, 810 Phil. 172, 179 (2017).

⁵⁰ *Amoroso v. Alegre, Jr.*, 552 Phil. 22, 35 (2007).

⁵¹ *Id.*

⁵² Records, p. 216.

Moreover, the Morales Family acknowledged that Abner is the actual and lawful owner of the property in the Agreement⁵³ that was signed in 1975. To recall, in the Agreement, Dominador acknowledged the superior right and interest of Abner as owner of the property, and he agreed to act as the overseer and tenant of the property when Abner and his family migrated to the USA. In consideration thereof, Abner allowed the Morales Family to stay in the property free of charge, and they agreed to vacate the property upon reasonable notice. Maria Luisa and her co-defendants before the RTC have not disputed the foregoing facts. Hence, Abner had sufficiently established his ownership over the subject property and his better right to possess it. As aptly observed by the RTC:

x x x [T]he [respondent] has clearly substantiated the fact that he is the owner of the property subject matter of the case when he presented a copy of the Deed of Sale of Miscellaneous Improvements and Transfer of Possessory Rights over Land dated July 5, 1966. Clearly his title over the property emanated from the said sale. x x x The presentation of the tax payments as well as several waivers of possessory rights even heightened his claim that indeed he is the true owner of the said property. x x x⁵⁴

As to Maria Luisa's assertion that Abner, being a naturalized American citizen could not acquire the subject property because he is prohibited to own and acquire lands of the public domain, the Court finds this contention to be bereft of merit. Contrary to Maria Luisa's contention, Abner's right to the subject property was not lost by reason of his naturalization as a US citizen. In the case of *Rep. of the Philippines v. Court of Appeals and Lapiña*,⁵⁵ the Court held that the private respondents therein were natural-born Filipino citizens at the time of the acquisition of the properties; and by virtue thereof, they acquired vested rights thereon tacking in the process, the possession in the concept of an owner and the period of time held by their predecessors-in-interest.⁵⁶ Similarly, in the case, Abner was a natural-born Filipino citizen when he acquired the property from its previous owners, Spouses Sabangan. As a result, he is deemed to have acquired a vested right over the property which cannot be defeated by the mere possession and occupation of the Morales Family as caretakers thereof. Verily, a right is vested when the right to enjoyment, present or prospective, has become the property of some particular person or

⁵³ Id. at 214.

⁵⁴ *Rollo*, p. 103.

⁵⁵ 305 Phil. 611 (1994).

⁵⁶ Id. at 630.

persons as a present interest.⁵⁷ It is some right or interest in property which has become fixed and established and is no longer open to doubt or controversy.

In addition, the RTC correctly ruled that the prohibition under Sections 7⁵⁸ and 8⁵⁹ of Article XII of the 1987 Constitution cited by Maria Luisa finds no application in the present case as the prohibition pertains to the acquisition of property after a natural-born Filipino has lost his or her citizenship. In the case, Abner is not a mere transferee of the property after he lost his Philippine citizenship; he had already acquired the possessory rights thereto in as early as 1966 by virtue of the sale document. As explained by the RTC, Abner was already the owner of the property, and he did not merely acquire it for the first time when he was already a US citizen. Having acquired his possessory rights to the property before he acquired foreign citizenship, Abner retained his title and interest over it.

Moreover, from the inception of their stay and even during the pendency of the case, Maria Luisa and her family never denied that they occupied and possessed the property as overseers and caretakers of Abner. As such, they cannot acquire ownership over the property even by acquisitive prescription. In *Samelo v. Manotok Services, Inc.*,⁶⁰ the Court held that “one cannot recognize the right of another, and at the same time claim adverse possession which can ripen to ownership, thru acquisitive prescription.”⁶¹ For prescription to set in, the possession, must be adverse, continuous, public, and to the exclusion of others. The possession must be that in the concept of an owner, and it must be public, peaceful, and uninterrupted. Acts of a possessory character by virtue of a license or mere tolerance on the part of the real owner are not sufficient.⁶² Maria Luisa and her family’s admission that they are caretakers of the property belies their claim of ownership. Their

⁵⁷ See *Carolino v. Gen. Senga*, 758 Phil. 305, 317 (2015), citing *Ayog v. Judge Cusi*, 204 Phil. 126 (1982).

⁵⁸ Section 7, Article XII of the 1987 Philippine Constitution provides:
Section 7. Save in case of hereditary succession, no private lands shall be transferred or conveyed except to individuals, corporations, or associations qualified to acquire or hold lands of the public domain.

⁵⁹ Section 8, Article XII of the 1987 Philippine Constitution provides:
Section 8. Notwithstanding the provisions of Section 7 of this Article, a natural-born citizen of the Philippines who has lost his Philippine citizenship may be a transferee of private lands, subject to limitations provided by law.

⁶⁰ 689 Phil. 411 (2012).

⁶¹ *Id.* at 421.

⁶² See Property Registration Decree and Related Laws (Land Titles and Deeds), Agcaoili, 2018 Ed., p. 79.

possession, no matter how long, would not ripen into ownership because their possession at the inception and even up to the present was that of a caretaker or overseer of the property. Hence, the CA was correct in ruling that they cannot now deny the title of Abner.

Significantly, the Court could not also give credence to Maria Luisa's averment that Abner agreed to give them the portion which they occupied. Article 712 of the New Civil Code states that: "[o]wnership and other real rights over the property are acquired and transmitted by law, by donation, by testate and intestate succession, and in consequence of certain contracts, by tradition." Acts and contracts which create, transmit, modify or extinguish real rights over immovable property should be embodied in a public document. In order that the donation of an immovable property may be valid, it must be made in a public document.⁶³

In relation thereto, Article 1358 of the Civil Code in connection with Article 1403(2) requires that:

Art. 1358. The following must appear in a public document:

(1) Acts and contracts which have for their object the creation, transmission, modification or extinguishment of real rights over immovable property; sales of real property or of an interest therein are governed by Articles 1403, No. 2, and 1405[.]

x x x x

Art. 1403. The following contracts are unenforceable unless they are ratified:

x x x x

(2) Those that do not comply with the Statute of Frauds as set forth in this number. In the following cases an agreement hereafter made shall be unenforceable by action, unless the same, or some note or memorandum, thereof, be in writing, and subscribed by the party charged, or by his agent; evidence, therefore, of the agreement cannot be received without the writing, or a secondary evidence of its contents[.]

x x x x

⁶³ *Heirs of Florencio v. Heirs of Sevilla de Leon*, 469 Phil. 459, 474 (2004).

Article 1403(2) of the New Civil Code, or otherwise known as the Statute of Frauds, requires that covered transactions must be reduced in writing, otherwise the same would not be enforceable by action.⁶⁴ In other words, Maria Luisa's assertion that Abner already agreed to give to them the portion they occupied must be evidenced by a written document, otherwise their claim is unenforceable. The Court notes that Abner, through his attorney-in-fact, Nomeriano, executed *Deeds of Transfer of Possessory Rights*⁶⁵ in favor of several persons over various portions of his property. Maria Luisa's bare assertion that Abner verbally stated that the portion on which they built their bungalow was already given to them does not hold water as it lacks the formalities required by law. In sum, Maria Luisa and her family failed to adduce any evidence on the manner by which they supposedly acquired ownership over the disputed portion. Therefore, Abner, as the rightful owner of the property, is entitled to recover possession from them.

All told, the Court finds that the CA did not err when it denied the petition and affirmed the decision of the RTC upholding Abner's ownership and right of possession over the area claimed by Maria Luisa and her family.

WHEREFORE, the Petition is **DENIED**. The assailed Decision dated June 18, 2018 and the Resolution dated February 13, 2019 of the Court of Appeals in CA-G.R. CV No. 103406 are **AFFIRMED**.

SO ORDERED.


HENRI JEAN PAUL B. INTING
Associate Justice

⁶⁴ *Heirs of Alido v. Campano*, G.R. No. 226065. July 29, 2019.

⁶⁵ Records, pp. 235-250, Exhibits "N", "N-1", "N-3", "N-4", "N-2", "N-6", "N-7", and "N-5"

WE CONCUR:



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice
Chairperson



SAMUEL H. GAERLAN
Associate Justice

On official leave

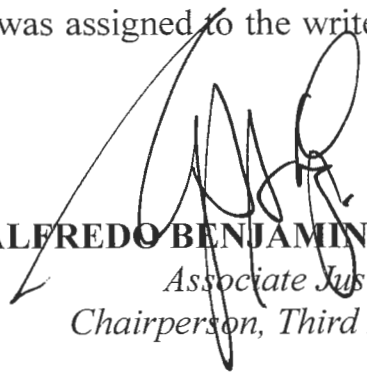
JAPAR B. DIMAAMPAO
Associate Justice



MARIA FILOMENA D. SINGH
Associate Justice

ATTESTATION

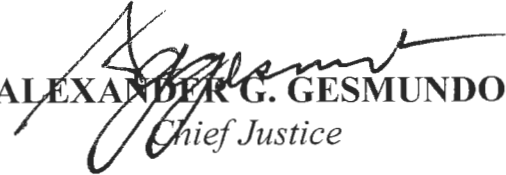
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ALFREDO BENJAMIN S. CAGUIOA
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

As