

## Republic of the Philippines Supreme Court Manila

#### FIRST DIVISION

ERNESTO LORENZO, MANUEL LORENZO, CONCHITA LORENZO-BRUNO,<sup>\*</sup> ADORACION SUELEN,<sup>\*\*</sup> AVELINA SUELEN,<sup>\*\*</sup> and HEIRS OF RODOLFO LORENZO, Petitioners, G.R. No. 209435

Present:

GESMUNDO, *C.J.*, *Chairperson*, HERNANDO, ZALAMEDA, ROSARIO, and MARQUEZ, *JJ*.

- versus -

FORTUNATA D. EUSTAQUIO and children, namely: ANGELITO, JOSE, ALEGRIA, LEONIDA, TEOFILO, DELFIN, JR., ALEJANDRO all surnamed EUSTAQUIO (HEIRS OF DELFIN EUSTAQUIO, SR.),

Promulgated:

AUG 10 2022 nother how

Respondents.

\_\_\_\_\_

#### DECISION

#### HERNANDO, J.:

Before Us is a Petition for Review on *Certiorari*<sup>1</sup> seeking the reversal of the January 31, 2013 Decision<sup>2</sup> and the September 4, 2013 Resolution<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. CV No. 93647, which affirmed the June 8,

<sup>\*</sup> Also referred to as Conchita Lorenzo in some parts of the records.

<sup>\*\*</sup> Also spelled as Suellen in some parts of the records.

<sup>&</sup>lt;sup>1</sup> *Rollo*, pp. 11-26.

<sup>&</sup>lt;sup>2</sup> Id. at 31-49. Penned by Associate Justice Michael P. Elbinias and concurred in by Associate Justices Isaias P. Dicdican and Nina G. Antonio-Valenzuela.

<sup>&</sup>lt;sup>3</sup> Id. at 203-204. Penned by Associate Justice Michael P. Elbinias and concurred in by Associate Justices Nina G. Antonio-Valenzuela and Isaias P. Dicdican.

2009 Decision<sup>4</sup> of the Regional Trial Court (RTC), Branch 68 of Camiling, Tarlac, in Civil Case No. 05-05 in favor of the heirs of Delfin L. Eustaquio (respondents) in an action for quieting of title, declaration of nullity of documents, surrender of title, and damages.

#### **Factual Antecedents**

The spouses Gregorio Eustaquio and Regina Lorenzo owned Lot No. 2161, a 7,275 square meters parcel of land situated in *Barangay* Bacabac, Camiling, Tarlac, and covered by Original Certificate of Title (OCT) No. 27351.<sup>5</sup> They have three children, namely: Delfin, Trinidad, and Fausta.<sup>6</sup>

On June 2, 1942, the spouses Gregorio and Regina executed a deed of donation *propter nuptias* (Inventario Matrimonio)<sup>7</sup> in favor of Delfin and Fortunata, donating a carabao and three parcels of land, among others, in celebration of their marriage. Included in the donated parcels of land is the subject land. Delfin and Fortunata issued a receipt to Gregorio showing their acceptance of the donation. Immediately thereafter, they occupied and took possession of the subject land in the concept of an owner until the unexpected controversy arose after Delfin's demise on July 4, 1994.<sup>8</sup>

Petitioners, namely: (a) Ernesto Lorenzo (Ernesto), Manuel Lorenzo, Conchita Lorenzo-Bruno, and heirs of Rodolfo Lorenzo (children of Trinidad); and (b) Adoracion and Avelina Suelen (children of Fausta), presented a Deed of Succession and Adjudication<sup>9</sup> dated December 31, 1993. The said deed stated that the subject land was subdivided into three lots: Lot 2161-A, Lot 2161-B, and Lot 2162-C, as per Psd-036903-053138 which bore a signature "G Eustaquio" referring to Gregorio. These lots are to be adjudicated among the heirs of spouses Gregorio and Regina in this wise:

a - Lot No. 2161-A – shall belong to DELFIN L. EUSTAQUIO;
b - Lot No. 2161-B – shall belong to ERNESTO, MANUEL, RODOLFO & CONCHITA, all [s]urnamed E. LORENZO, in equal share;
c - Lot No. 2161-C, shall belong to FAUSTA L. EUSTAQUIO<sup>10</sup>

Petitioners, represented by Ernesto, then filed a Petition<sup>11</sup> for issuance of a second owner's duplicate copy of OCT No. 27351. He averred that he is an heir of the spouses Gregorio and Regina, and was in possession of the duplicate copy

- <sup>7</sup> Records, p. 8.
- <sup>8</sup> *Rollo*, pp. 104-106.

<sup>11</sup> Rollo, p. 105.

<sup>&</sup>lt;sup>4</sup> Id. at 104-114.

<sup>&</sup>lt;sup>5</sup> Records, p. 6.

<sup>&</sup>lt;sup>6</sup> *Rollo*, p. 32.

<sup>&</sup>lt;sup>9</sup> Id. at 9.

<sup>&</sup>lt;sup>10</sup> Id.

of the title which he lost. The trial court granted the petition;<sup>12</sup> hence, a duplicate copy of the same was issued to petitioners.<sup>13</sup>

The purported false claims of petitioners prompted respondents to file the instant Complaint for Quieting of Title, Declaration of Nullity of Document and Surrender of Title with Prayer for the Issuance of the Writ of Preliminary Injunction and/or Temporary Restraining Order,<sup>14</sup> which was later on amended.<sup>15</sup>

Respondents claimed ownership over the subject land by virtue of donation. The Deed of Succession and Adjudication is therefore null and void as it is based on Psd-036903-053138 signed by Gregorio with "G. Eustaquio." Such signature is a forgery because Gregorio had already died on October 29, 1950; hence, it is impossible for him to execute the same. Respondents further alleged that the thumbmark of Delfin appearing on the deed was spurious as he never appeared before the notary public to acknowledge the same. Moreover, had petitioners not intend to defraud respondents, they would have given respondents a copy of the deed prior to Gregorio's demise.<sup>16</sup>

Petitioners, on the other hand, claimed that the donation *propter nuptias* is void for there was no valid acceptance. It is likewise spurious and fake because the signatures therein were forgeries. Moreover, considering that the spouses Gregorio and Regina donated all their properties to Delfin and Fortunata, it violated the rights of other heirs over their legitimes.<sup>17</sup>

Anent the Deed of Succession and Adjudication,<sup>18</sup> petitioners maintained that it is valid for being duly executed in a public document and notarized. In fact, Fortunata was with Delfin when he signed the deed. Fortunata did not even raise any objection thereto which would also have supported her claim that the donation of the subject land to them was indeed valid.<sup>19</sup>

Respondents, in their Reply,<sup>20</sup> countered that the donation remained valid even if there was no acceptance since Delfin was only 17 years old at the time of his marriage to Fortunata. Further, petitioners only contested the said donation in 1993, or more than 50 years after its execution. Thus, their claim over the subject land or a portion thereof had already been barred by prescription. Lastly, respondents reiterated their stance that the thumbmark of

- <sup>15</sup> Id. at 43-52.
- <sup>16</sup> *Rollo*, pp. 105-106.
- <sup>17</sup> Id. at 106.
- <sup>18</sup> Id.
- <sup>19</sup> Id.

<sup>&</sup>lt;sup>12</sup> ld.

<sup>&</sup>lt;sup>13</sup> Id.

<sup>&</sup>lt;sup>14</sup> Records, pp. 1-5.

<sup>&</sup>lt;sup>20</sup> Records, pp. 88-90.

Delfin appearing on the Deed of Succession and Adjudication is fake as he never appeared before a notary public.<sup>21</sup>

#### Ruling of the Regional Trial Court

In its June 8, 2009 Decision,<sup>22</sup> the RTC found the donation void for lack of notarization. Article 633 of the Old Civil Code provided that a gift of real property must appear in a public instrument to be valid, which is lacking in the case.<sup>23</sup>

Nonetheless, the trial court held that respondents had already acquired ownership over the subject land through acquisitive prescription. It opined that the spouses Delfin and Fortunata and their children had been in actual, open, continuous, and adverse possession of the subject land in the concept of an owner since 1942, the year it was allegedly donated to them. Notably, petitioners did not show proof that they also possessed the subject land. Clearly, respondents have been in possession of the same for more than 50 years which had ripened into ownership.<sup>24</sup>

Further, the trial court ruled that laches had already set in as petitioners failed to assail the validity of the donation.<sup>25</sup> Neither did they assert their successional rights over the subject land granting that it had been impaired by the donation in favor of spouses Delfin and Fortunata.<sup>26</sup> Hence, by respondents' uninterrupted and adverse possession of the subject land for a long period of time, they had already acquired title over the same outweighing the general rule that prescription does not run against registered lands.<sup>27</sup>

The RTC further opined that Delfin's act of affixing his signature in the Deed of Succession and Adjudication did not mean that he agreed to the partition of the subject land. It observed that the Deed was executed six months before Delfin died.<sup>28</sup> Hence, he was most likely not of sound mind to accede to the terms of the Deed. This is further bolstered by respondents' assertions that Delfin and Fortunata are the exclusive owners of the subject land.<sup>29</sup>

The *fallo* of the RTC Decision thus reads:

WHEREFORE, premises considered, judgment is hereby considered as follows:

<sup>26</sup> Id.

<sup>29</sup> Id.

<sup>&</sup>lt;sup>21</sup> *Rollo*, 106.

<sup>&</sup>lt;sup>22</sup> Id. at 104-114.

 <sup>&</sup>lt;sup>23</sup> Id. at 110.
 <sup>24</sup> Id.

<sup>&</sup>lt;sup>25</sup> Id. at 111.

<sup>&</sup>lt;sup>27</sup> Id. at 112.

<sup>&</sup>lt;sup>28</sup> Id.

2,

1] Declaring the private deed of donation propter nuptias (Inventario Matrimonio dated June 2, 1942) executed by the deceased-spouses Gregorio Eustaquio and Regina Lorenzo in favor of their deceased son Delfin Eustaquio and his bride Fortunata delos Santos as null and void for not made in a public instrument as required under the applicable provisions of the Old Civil Code;

2] Declaring the deed of succession and adjudication dated December 31, 1993 executed by the late Delfin Eustaquio, Fausta Eustaquio, Ernesto Lorenzo, Manuel Lorenzo, Rodolfo Lorenzo and Conchita Lorenzo involving the subject property as null and void;

3] Declaring the heirs of Delfin L. Eustaquio (herein plaintiffs) as coowners of the lot in suit ([L]ot no. 2161 covered by Original Certificate of Title No. 27351) by acquisitive prescription;

4] Declaring the 2<sup>nd</sup> owner's copy of Original Certificate of Title No. 27351 issued by the Registered of Deeds pursuant to the Order in LRC Case No. 04-108 entitled "Petition for the issuance of a new owner's copy of OCT No. 27351 in lieu of the lost one" as null and void considering that the owner's copy was not actually lost;

5] Ordering defendants to pay the plaintiffs, jointly and severally, the amount of P10,000.00 as moral damages and another amount of P10,000.00 as attorney's fees.

SO ORDERED.<sup>30</sup>

Petitioners appealed before the CA insisting on the validity of the Deed of Succession and Adjudication and the nullity of the donation.

#### **Ruling of the Court of Appeals**

The appellate court, in its January 31, 2013 Decision,<sup>31</sup> affirmed the findings of the RTC, to wit:

WHEREFORE, the Appeal is DENIED. The Decision of the lower court is AFFIRMED.

SO ORDERED.<sup>32</sup>

The CA ruled that the appeal should have been dismissed for failure of petitioners to include a Subject Index in their Appellant's Brief. Such procedural defect is a ground for dismissal under Section 1(f) of the Rules of Court.<sup>33</sup>

<sup>33</sup> Id. at 38.

<sup>&</sup>lt;sup>30</sup> Id. at 113.

<sup>&</sup>lt;sup>31</sup> Id. at 31-49.

<sup>&</sup>lt;sup>32</sup> ld. at 48.

Anent the substantial merits, the appellate court still found no reversible error on the part of the RTC. The appellate court observed that the spouses Delfin and Fortunata built their house in the subject lot in 1943. Their children subsequently built their own houses in the subject land and had been living therein from 1962 until 1994 without any objection from petitioners and their parents, Trinidad, and Fausta.<sup>34</sup> Clearly, respondents had been in open, continuous, adverse, and uninterrupted possession of the subject land for more than 50 years, and had performed acts of dominion therein in the concept of an owner. Thus, the CA declared respondents to be the owners of the subject property by virtue of acquisitive prescription regardless of whether the donation was valid or not.<sup>35</sup>

Since respondents are deemed the owners of the subject land, the CA opined that the Deed of Succession and Adjudication is void as it was executed only in 1993, or after respondents' possession of the subject land had already ripened into ownership.<sup>36</sup>

Petitioners sought for reconsideration but it was denied by the CA in its Resolution<sup>37</sup> dated September 4, 2013.

Hence, this instant petition.

#### Issues

For this Court's consideration are the following issues:

a) On procedural grounds:

1. Whether the lack of subject index in petitioners' appellants' brief warrants the dismissal of their appeal

. b) On substantial grounds:

1. Whether the spouses Delfin and Fortunata are the rightful owners of the subject land;

2. Whether the Deed of Succession and Adjudication is valid; and

3. Whether respondents are entitled to the award of damages

<sup>&</sup>lt;sup>34</sup> Id. at 43.

<sup>&</sup>lt;sup>35</sup> Id. at 44.

<sup>&</sup>lt;sup>36</sup> Id. at 48.

<sup>&</sup>lt;sup>37</sup> Id. at 203-204.

#### Our Ruling

7

The petition lacks merit.

I.

#### **Procedural Issue**

We will first resolve the procedural issue raised by petitioners.

Petitioners claim that the absence of a subject index in their appellants' brief is not a fatal defect. Their arguments and bases thereof were clearly and logically presented in the brief coupled with the citations of jurisprudence and records of the case.<sup>38</sup>

The Court disagrees.

Section 13 (a), Rule 44 of the Rules of Court, states that an appellant's brief shall contain a subject index with a digest of the arguments and page references, and a table of cases alphabetically arranged, textbooks and statutes cited with references to the pages they are cited. The absence thereof warrants the dismissal, either *motu proprio* or upon motion of an appellee, of the appeal pursuant to Section 1(f), Rule 50 of the Rule.

In the cases of *Estate of Vda. de Villegas v. Gaboya*,<sup>39</sup> *Del Rosario v. Court of Appeals*<sup>40</sup> and *Bucad v. Court of Appeals*,<sup>41</sup> the Court dismissed the appeal of the appellants therein for violation of Sec. 1, Rule 50 of the Rules of Court.

Considering that the appellants' brief lacked the required subject index, the CA is correct in its finding that the appeal should have been dismissed for failure to follow the procedural rule. The Court stresses that the right to appeal is a statutory right.<sup>42</sup> As such, a party who seeks to avail of the right must faithfully comply with the procedural rules which are designed to facilitate the orderly disposition of appealed cases.<sup>43</sup>

Notwithstanding petitioners' non-observance of the procedural rules, the CA still ruled and dutifully discussed the substantial merits of their case finding no reversible error on the judgment of the RTC. Clearly, the denial of petitioners' appeal was not solely based on their appeal's procedural defect, but

<sup>43</sup> Id.

<sup>&</sup>lt;sup>38</sup> Id. at 17-18.

<sup>&</sup>lt;sup>39</sup> 527 Phil. 355, 368 (2006).

<sup>&</sup>lt;sup>40</sup> 311 Phil. 630, 636 (2005).

<sup>&</sup>lt;sup>41</sup> 290-A Phil. 185, 193 (1992).

<sup>&</sup>lt;sup>42</sup> Estate of Vda. de Villegas v. Gaboya, supra at 367.

also because of lack of substantial merit to warrant the reversal of the trial court's decision.

This now leads us to the substantial issues raised by petitioners before Us.

#### II

#### Substantial Issues

Petitioners proffer that the appellate and the trial courts erred in declaring respondents the owner of the subject land by acquisitive prescription or laches. They assert that neither acquisitive prescription nor laches can be applied against a property covered by Torrens title like in the instant case.<sup>44</sup>

Petitioners also posit that the Deed of Succession and Adjudication is valid as it complied with all the requisites contemplated under Article 1318 of the Civil Code. Moreover, they aver that: (a) the spouses Delfin and Fortunata and their children's acts of constructing a house in the subject land are immaterial since acquisitive prescription is inapplicable to warrant ownership of the same; (b) lack of justification that Delfin, at the time he affixed his thumbmark in the Deed, was of unsound mind; and (c) Delfin personally appeared before the notary public.<sup>45</sup>

Assuming that the Deed of Succession and Adjudication is invalid like the donation *propter nuptias*, and since the spouses Gregorio and Regina left no will, petitioners assert that the subject land should form part of the estate of Gregorio and Regina. Petitioners further aver that the trial court erred in declaring the second owner's copy of OCT No. 27351 to be null, and in awarding moral damages and attorney's fees to respondents.<sup>46</sup>

Upon a careful examination of the records, the Court agrees with the conclusion of the CA and the RTC that the spouses Delfin and Fortunata are the rightful owners of the subject land not by reason of acquisitive prescription, but on the ground of laches.

Donation *propter nuptias* not made in a public instrument is void as prescribed in the Old Civil Code.

<sup>&</sup>lt;sup>44</sup> *Rollo*, pp. 18-21.

<sup>&</sup>lt;sup>45</sup> Id. at 21-24.

<sup>&</sup>lt;sup>46</sup> Id. at 24-25.

7

Donations *propter nuptias* or donations by reason of marriage are those "made before its celebration, in consideration of the same and in favor of one or both of the future spouses."<sup>47</sup>

Under Article 1328 of the Old Civil Code, a donation *propter nuptias* must be made in a public instrument in which the property donated must be specifically described.<sup>48</sup> In other words, such donation must be in a public instrument otherwise it is void.<sup>49</sup> Thus, pursuant to the aforementioned rule, the *Inventario Matrimonio* executed in 1942 by the spouses Gregorio and Regina in favor of the spouses Delfin and Fortunata is indeed void as it was not notarized, hence, not a public instrument.

This notwithstanding, the donation *propter nuptias* can still serve as a legal basis of adverse possession sans noncompliance with the formal requisites.<sup>50</sup> A private document of donation can be the basis of a claim of ownership if there is clear and convincing evidence of possession, like in the instant case.<sup>51</sup> However, contrary to the pronouncement of the appellate and trial courts, the Court finds that respondents' possession of the subject land had ripened into ownership not because of acquisitive prescription but only because of laches.

#### Laches differs from prescription

Laches is defined as "the failure or neglect for an unreasonable or unexplained length of time to do that which by exercising due diligence, could or should have been done earlier warranting a presumption that he has abandoned his right or declined to assert it."<sup>52</sup>

Prescription, on the other hand, refers to the failure or delay to assert a claim within the period prescribed by law. Through prescription one acquires ownership and other real rights through the lapse of time, in the manner and under the conditions laid down by law.<sup>53</sup> Likewise, rights and actions are lost on the same ground.<sup>54</sup> Thus, there are two kinds of prescription: (1) the acquisition of a right by the lapse of time, or acquisitive prescription; and (2) the loss of a right of action by the lapse of time, or extinctive prescription.<sup>55</sup>

In *Spouses Aboitiz v. Spouses Po*,<sup>56</sup> the Court thoroughly explained the differences between laches and prescription in this wise:

<sup>&</sup>lt;sup>47</sup> Valencia v. Locquiao, 459 Phil. 247, 259 (2003).

<sup>&</sup>lt;sup>48</sup> Id.

<sup>&</sup>lt;sup>49</sup> ld.

<sup>&</sup>lt;sup>50</sup> Heirs of Maningding v. Court of Appeals, 342 Phil. 567, 574-575 (1997).

<sup>&</sup>lt;sup>51</sup> Id.

<sup>&</sup>lt;sup>52</sup> Agra v. Philippine National Bank, 368 Phil. 829, 841 (1999).

<sup>53</sup> CIVIL CODE, ART. 1106; See Cutanda v. Heirs of Cutanda, 390 Phil. 740, 747-748 (2000).

<sup>&</sup>lt;sup>54</sup> Cutanda v. Heirs of Cutanda, 390 Phil. 740, 748 (2000).

<sup>55</sup> Id.

<sup>&</sup>lt;sup>56</sup> 810 Phil. 123 (2017).

"Laches is different from prescription." Prescription deals with delay itself and thus is an issue of how much time has passed. The time period when prescription is deemed to have set in is fixed by law. Laches, on the other hand, concerns itself with the effect of delay and not the period of time that has lapsed. It asks the question whether the delay has changed "the condition of the property or the relation of the parties" such that it is no longer equitable to insist on the original right. In *Nielson & Co., Inc. v. Lepanto Consolidated Mining Co.*:<sup>57</sup>

Appellee is correct in its contention that the defense of laches applies independently of prescription. Laches is different from the statute of limitations. Prescription is concerned with the fact of delay. Whereas laches is concerned with the effect of delay. Prescription is a matter of time; laches is principally a question of inequity of permitting a claim to be enforced, this inequity being founded on some change in the condition of the property or the relation of the parties. Prescription is statutory; laches is not. Laches applies in equity, whereas prescription applies at law. Prescription is based on fixed time, Laches is not.

The defense of laches is based on equity. It is not based on the title of the party invoking it, but on the right holder's "long inaction or inexcusable neglect" to assert his claim.<sup>58</sup>

The trial court, as affirmed by the appellate court, applied the rule on acquisitive prescription in finding that the spouses Delfin and Fortunata already acquired ownership over the subject land. We beg to differ.

# Acquisitive prescription is inapplicable in case of a registered land

In applying the doctrine of acquisitive prescription in the case, the RTC relied on the Court's pronouncement in the *Heirs of Maningding v. Court of Appeals*<sup>59</sup> (*Maningding*) wherein petitioners, as co-owners, were found to have slept on their rights to demand their shares over the fruits of the unregistered lands that were in the exclusive possession of private respondents Roque Bauzon and his heirs from 1948 to 1986 to the former's exclusion. Thus, the Court declared that prescription already set in because of petitioners' inaction for almost 36 years before they asserted any claim therein.

The CA assented with the RTC this time citing Imuan v.  $Cereno^{60}$  (Imuan) as basis for its ruling. In the said case, the Court likewise applied the doctrine of acquisitive prescription in favor of the Spouses Cereno who immediately took possession of the contested lands which they bought in 1970 and had

,

1.94

<sup>&</sup>lt;sup>57</sup> 125 Phil. 204, 219 (1966).

<sup>&</sup>lt;sup>58</sup> Supa at 148-149.

<sup>&</sup>lt;sup>59</sup> Supra note 50.

<sup>&</sup>lt;sup>60</sup> 615 Phil. 489 (2009).

secured tax declarations in their names. Their peaceful and public possession of the land was interrupted only in 1999 when petitioners in the case filed a complaint for annulment of document, reconveyance, and damages against the Cerenos.

However, the Court finds the application of these cases by the lower courts to be misplaced.

It is notable that the lands involved in the cases of *Maningding* and *Imuan* were untitled and were only covered by tax declarations, respectively. They are not registered under the Torrens system as compared to the instant case which has an original certificate of title. This remarkable difference would have determined from the beginning that acquisitive prescription is inapplicable since the subject land in this case is a registered land.

Section 47 of Act No. 496,<sup>61</sup> which was enacted in 1902, already declared that a registered land is not subject to prescription.<sup>62</sup> This principle is expressly stated in Section 47 of Presidential Decree No. 1529,<sup>63</sup> to wit:

Section 47. Registered Land Not Subject to Prescriptions. — No title to registered land in derogation to that of the registered owner shall be acquired by prescription or adverse possession.

Our jurisprudence is replete with cases<sup>64</sup> declaring that titled or registered lands cannot be acquired by prescription or adverse possession. We explained the rationale behind the rule in *Bishop v. Court of Appeals*,<sup>65</sup> citing *Legarda v. Saleeby*,<sup>66</sup> in this wise:

It is an elementary principle that the owner of a land registered under the Torrens system cannot lose it by prescription.

As the Court observed in the early case Legarda v. Saleeby:

The real purpose of the Torrens system of land registration is to quiet title to land; to put a stop forever to any question of the legality of the title, except claims which were noted at the time of registration in the certificate, or which may arise subsequent thereto. That being the purpose of the law, it would seem that once the title was registered,

<sup>&</sup>lt;sup>61</sup> Entitled "AN ACT TO PROVIDE FOR THE ADJUDICATION AND REGISTRATION OF TITLES TO LANDS IN THE PHILIPPINE ISLANDS." Enacted: November 6, 1902.

<sup>62</sup> See Spouses Cano v. Spouses Cano, 822 Phil. 911, 938 (2017).

<sup>&</sup>lt;sup>63</sup> Entitled "AMENDING AND CODIFYING THE LAWS RELATIVE TO REGISTRATION OF PROPERTY AND FOR OTHER PURPOSES." Approved: June 11, 1978.

<sup>&</sup>lt;sup>64</sup> Heirs of Alido v. Campano, G.R. No. 226065, July 29, 2019; Spouses Cano v. Spouses Cano, supra; Spouses Peralta v. Heirs of Abalon, 737 Phil. 310 (2014); Heirs of Maligaso, Sr. v. Encinas, 688 Phil. 516 (2012); Rivera v. Court of Appeals, 314 Phil. 57 (1995); Natalia Realty Corporation v. Vallez, 255 Phil. 510, 519 (1989).

<sup>&</sup>lt;sup>65</sup> 284-A Phil. 125 (1992).

<sup>&</sup>lt;sup>66</sup> 31 Phil. 590, 593 (1915).

the owner may rest secure, without the necessity of waiting in the portals of the court, or sitting in the "mirador de su casa," to avoid the possibility of losing his land.

Applied consistently these many years, this doctrine has been burnished bright with use and has long become a settled rule of law.<sup>67</sup>

The instant case is no exception to the above settled doctrine. Indeed, respondents have been in uninterrupted, continuous, public, and adverse possession of the subject land for 50 years. However, their possession will not ripen into ownership on the ground of acquisitive prescription as the subject land is a registered land.

In any event, the spouses Delfin and Fortunata still acquired ownership over the subject land on the ground of laches.

Peaceful, uninterrupted, and adverse possession by the spouses Delfin and Fortunata of the subject land for 50 years had ripened into ownership by reason of laches

The doctrine of laches, also known as a stale demand, is based on public policy which requires, for the peace of society, the discouragement of stale claims.<sup>68</sup> It is not a mere question of time, but is principally a question of the inequity or unfairness of permitting a stale right or claim to be enforced or asserted.<sup>69</sup> "*Tempus enim modus tollendi obligationes et actiones, quia tempus currit contra desides et sui juris contemptores* (For time is a means of dissipating obligations and actions, because time runs against the slothful and careless of their own rights). Truly, the law serves those who are vigilant and diligent, not those who sleep when the law requires them to act."<sup>70</sup>

The following are the essential elements of laches: (1) conduct on the part of defendant or one under whom he claims, giving rise to the situation complained of; (2) delay in asserting complainant's right after he had knowledge of the defendant's conduct and after he has an opportunity to sue; (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.<sup>71</sup>

<sup>&</sup>lt;sup>67</sup> Bishop v. Court of Appeals, supra at 130-131.

<sup>&</sup>lt;sup>68</sup> Marcelino v. Court of Appeals, 285 Phil. 953, 956 (1992).

<sup>&</sup>lt;sup>69</sup> Id.

<sup>&</sup>lt;sup>70</sup> Aznar Brothers Realty Co. v. Spouses Ybañez, 733 Phil. 1, 29 (2014), citing Spouses Pangilinan v. Court of Appeals, 345 Phil. 93, 104 (1997).

<sup>&</sup>lt;sup>71</sup> Chung Ka Bio v. Intermediate Appellate Court, 246 Phil. 556, 557 (1988).

 $\int_{\mathbb{R}} dx \int_{\mathbb{R}} \int_{\mathbb{R}} dx \int_{\mathbb{R}$ 

All these elements are present in this case.

As early as 1942, the spouses Delfin and Fortunata occupied the subject land upon acceptance of the donation. Since then, they and their children have been in possession of the land in the concept of an owner. Delfin and Fortunata constructed their house therein and tilled the land.<sup>72</sup> Their children, together with their families, also subsequently built their houses therein. Respondents remained in public, exclusive, and peaceful possession of the subject land for almost 50 years until it was interrupted in 1993 when petitioners began to occupy portions of the same due to the Deed of Succession and Adjudication.

Notably, petitioner Ernesto admitted that respondents solely occupied the subject land. Petitioners even failed to present any evidence indicating that their predecessors-in-interest had in any way possessed the said land. More importantly, no proof was likewise presented that petitioners and their predecessors-in-interest had previously asserted their claim over the land or contested respondents' exclusive occupation of the same. In fact, they did not file any action against respondents to recover possession of their purported share of inheritance over the subject land, and had not offered any explanation for such inaction. Thus, petitioners and their predecessors-in-interest's inaction for an unreasonable length of time allowed laches to set in.

True, the subject land is registered under the Torrens system. Nevertheless, an ownership of registered land may be lost through laches.<sup>73</sup> The Court has applied the doctrine of laches in numerous cases due to a party's failure for a considerable length of time to institute an action to enforce his/her claim.

We revisit some of these cases.

Apropos to the case at bar is *Catholic Bishop of Balanga v. Court of Appeals*,<sup>74</sup> (*Catholic Bishop of Balanga*) wherein it took 49 years since the donation was executed in favor of respondent Amando De Leon's predecessor-in-interest for petitioner Catholic Bishop of Balanga to file the complaint against the former. Petitioner failed to explain the lapse of unreasonable length of time in questioning the validity of the donation. This Court therefore found petitioner's right to recover possession of the disputed land therein to be barred by laches.

In *Marcelino v. Court of Appeals*,<sup>75</sup> laches had set in when petitioners and their predecessors-in-interest did not take any action to recover the possession of the disputed land and its titles for almost 50 years. The Court likewise applied

<sup>&</sup>lt;sup>72</sup> TSN, December 15, 2006, p. 10.

<sup>&</sup>lt;sup>73</sup> Marcelino v. Court of Appeals, supra at 957.

<sup>&</sup>lt;sup>74</sup> 332 Phil. 206, 214 (1996).

<sup>&</sup>lt;sup>75</sup> Marcelino v. Court of Appeals, supra.

Decision

the principle in *Claverias v. Quingco*<sup>76</sup> wherein respondent and his predecessorin-interest had been in adverse possession of the property from 1922 to 1958, or a total of 36 years, coupled with petitioner's failure to take any further action to recover the property from the dismissal of the annulment case in 1959 until October 23, 1972. Lastly, in *Lola v. Court of Appeals*,<sup>77</sup> petitioners acquired title to the titled land because of respondent's failure to assert her claim and ownership for 32 years.

There is definitely no reason not to apply the equitable principle of laches in the case at bar. Petitioners and their predecessors-in-interest's inaction for a period of 50 years already converted into a stale demand their right over the subject land as heirs of the spouses Gregorio and Regina. Silence, delay, or neglect in asserting and enforcing one's rights for an unexplained long period of time gives rise to a presumption that there is no merit at all to one's claim. Moreover, to allow a party's claim of possession over the subject land despite failure to enforce his/her right at the earliest opportune time will only result in "an irreparable injury under the most unfair circumstances,"<sup>78</sup> not justice, against the other who most likely has already invested considerable amount of time, effort, and work over the same. "*Vigilantibus, non dormientibus, jura subveniunt*. Laws must come to the assistance of the vigilant, not of the sleepy."<sup>79</sup> As We aptly stated in *Catholic Bishop of Balanga*:

Courts cannot look with favor at parties who, by their silence, delay and inaction, knowingly induce another to spend time, effort, and expense in cultivating the land, paying taxes and making improvements thereon for an unreasonable period only to spring an ambush and claim title which the possessor's efforts and the rise of land values offer an opportunity to make easy profit at their own expense. Considerable delay in asserting one's right before a court of justice is strongly persuasive of the lack of merit of his claim, since it is human nature for a person to enforce his right when same is threatened or invaded; thus, it can also be said that petitioner is estopped by laches from questioning private respondent's ownership of the subject property. At any rate, petitioner's right to recover the possession of the subject property from private respondent has, by the latter's long period of possession and by petitioner's inaction and neglect, been converted into a stale demand. Such passivity in the face of what might have given rise to an action in court is visited with the loss of such right, and ignorance resulting from inexcusable negligence does not suffice to explain such failure to file seasonably the necessary suit.80

# Deed of Succession and Adjudication is null and void.

<sup>&</sup>lt;sup>76</sup> 283 Phil. 872, 894 (1992).

<sup>&</sup>lt;sup>77</sup> 229 Phil. 436, 445 (1986).

<sup>&</sup>lt;sup>78</sup> Catholic Bishop of Balanga v. Court of Appeals, supra at 223.

<sup>&</sup>lt;sup>79</sup> Claverias v. Quingco, supra at 896.

<sup>&</sup>lt;sup>80</sup> Catholic Bishop of Balanga v. Court of Appeals, supra at 224-225.

We agree with the CA that it is already immaterial if Delfin's thumbmark was spurious or genuine since he and Fortunata have already acquired ownership over the subject land at the time the Deed of Succession and Adjudication was executed. To repeat, petitioners and their predecessors-ininterest had already lost their right over the subject land because they slept on their rights for 50 years. Hence, they have been stripped off of any claim over the said land as heirs of the spouses Gregorio and Regina. Their neglect resulted in respondents' possession of the subject land which had already ripened into ownership at the time the deed was executed. Petitioners cannot therefore adjudicate, whether judicially or extrajudicially, the said land among themselves as it no longer formed part of the estate of the spouses Gregorio and Regina. They and their predecessors-in-interest only have themselves to blame for the unfortunate effect of their inaction.

Since petitioners are divested of their rights to possess the subject land, the appellate court is likewise correct when it affirmed the trial court's order to cancel the duplicate copy of the OCT in their favor.<sup>81</sup>

# Awards of moral damages and attorney's fees

Moral damages may be awarded in case of physical suffering, mental anguish, fright, serious anxiety, besmirched reputation, wounded feelings, moral shock, social humiliation, and similar injury.<sup>82</sup> "Though incapable of pecuniary computation, moral damages may be recovered if they are the proximate results of the defendant's wrongful act or omission."<sup>83</sup>

There is no doubt that respondents had clearly underwent physical suffering and mental anguish from petitioners' act of occupying the subject land. Human experience dictates that anyone who has been in peaceful possession of a property believing in good faith that he/she owns the same would experience severe anxiety and stress in case another person will suddenly intrude upon the same. Hence, the award of moral damages in favor of respondents is proper.

The award of attorney's fees to respondents is likewise in order, having been forced to litigate in order to protect their interest over the subject land, a portion of which petitioners already occupied.<sup>84</sup>

WHEREFORE, the Petition for Review on *Certiorari* is **DENIED** for lack of merit. The January 31, 2013 Decision and the September 4, 2013 Resolution of the Court of Appeals in CA-G.R. CV No. 93647 are AFFIRMED. Costs against petitioners.

<sup>83</sup> Id.

<sup>&</sup>lt;sup>81</sup> See Miguel v. Catalino, 135 Phil. 229, 237 (1968).

<sup>&</sup>lt;sup>82</sup> CIVIL CODE, ART. 2217.

<sup>&</sup>lt;sup>84</sup> Spouses Timado v. Rural Bank of San Jose, Inc., 789 Phil. 453, 460 (2016).

### SO ORDERED.

IANDO

RAMON PAUL L. HERNAN Associate Justice

#### WE CONCUR:

R'G. GESMUNDO Chief Justice Chairperson

RODIL V.ZALAMEDA Associate Justice

Ŕ. ROSARIO RICARDO Associate Justice

MIDAS P. MARQUEZ JOSE

Associate Justice

## CERTIFICATION

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

**R** G. GESMUNDO Chief Justice

100

·