

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
THIRD DIVISION**

AURORA ALCANTARA-DAUS,
Petitioner,

-versus-

**G.R. No. 149750
June 16, 2003**

**Spouses HERMOSO and SOCORRO DE
LEON,**
Respondents.

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DECISION

PANGANIBAN, J.:

While a contract of sale is perfected by mere consent, ownership of the thing sold is acquired only upon its delivery to the buyer. Upon the perfection of the sale, the seller assumes the obligation to transfer ownership and to deliver the thing sold, but the real right of ownership is transferred only “by tradition” or delivery thereof to the buyer.

The Case

Before us is a Petition for Review^[1] under Rule 45 of the Rules of Court, seeking to set aside the February 9, 2001 Decision and the August 31, 2001 Resolution of the Court of Appeals^[2] (CA) in CA-GR CV No. 47587. The dispositive portion of the assailed Decision reads as follows:

“WHEREFORE, premises considered, the decision of the trial court is hereby REVERSED, and judgment rendered:

1. Declaring null and void and of no effect, the Deed of Absolute Sale dated December 6, 1975, the Deed of Extra-judicial Partition and Quitclaim dated July 1, 1985, and T.C.T. No. T-31262;
2. Declaring T.C.T. No. 42238 as valid and binding;
3. Eliminating the award of P5,000.00 each to be paid to defendants-appellees.”^[3]

The assailed Resolution^[4] denied petitioner’s Motion for Reconsideration.

The Facts

The antecedents of the case were summarized by the Regional Trial Court (RTC) and adopted by the CA as follows:

“This is a Complaint for annulment of documents and title, ownership, possession, injunction, preliminary injunction, restraining order and damages.

“Respondents alleged in their Complaint that they are the owners of a parcel of land hereunder described as follows, to wit:

‘A parcel of land (Lot No. 4786 of the Cadastral Survey of San Manuel) situated in the Municipality of San Manuel, Bounded on the NW., by Lot No. 4785; and on the SE., by

Lot Nos. 11094 & 11096; containing an area of Four Thousand Two Hundred Twelve (4,212) sq. m., more or less. Covered by Original Certificate of Title No. 22134 of the Land Records of Pangasinan.’

which Respondent Hermoso de Leon inherited from his father Marcelino de Leon by virtue of a Deed of Extra-judicial Partition. Sometime in the early 1960s, respondents engaged the services of the late Atty. Florencio Juan to take care of the documents of the properties of his parents. Atty. Juan let them sign voluminous documents. After the death of Atty. Juan, some documents surfaced and most revealed that their properties had been conveyed by sale or quitclaim to Respondent Hermoso’s brothers and sisters, to Atty. Juan and his sisters, when in truth and in fact, no such conveyances were ever intended by them. His signature in the Deed of Extra-judicial Partition with Quitclaim made in favor of Rodolfo de Leon was forged. They discovered that the land in question was sold by Rodolfo de Leon to Petitioner Aurora Alcantara. They demanded annulment of the document and reconveyance but defendants refused.

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“Petitioner Aurora Alcantara-Daus averred that she bought the land in question in good faith and for value on December 6, 1975. She has been in continuous, public, peaceful, open possession over the same and has been appropriating the produce thereof without objection from anyone.”^[5]

On August 23, 1994, the RTC (Branch 48) of Urdaneta, Pangasinan^[6] rendered its Decision^[7] in favor of herein petitioner. It ruled that respondents’ claim was barred by laches, because more than 18 years had passed since the land was sold. It further ruled that since it was a notarial document, the Deed of Extrajudicial Partition in favor of Rodolfo de Leon was presumptively authentic.

Ruling of the Court of Appeals

In reversing the RTC, the CA held that laches did not bar respondents from pursuing their claim. Notwithstanding the delay, laches is a doctrine in equity and may not be invoked to resist the enforcement of a legal right.

The appellate court also held that since Rodolfo de Leon was not the owner of the land at the time of the sale, he could not transfer any land rights to petitioner. It further declared that the signature of Hermoso de Leon on the Deed of Extrajudicial Partition and Quitclaim — upon which petitioner bases her claim — was a forgery. It added that under the above circumstances, petitioner could not be said to be a buyer in good faith.

Hence, this Petition.^[8]

The Issues

Petitioner raises the following issues for our consideration:

- “1. Whether or not the Deed of Absolute Sale dated December 6, 1975 executed by Rodolfo de Leon (deceased) over the land in question in favor of petitioner was perfected and binding upon the parties therein?
- “2. Whether or not the evidentiary weight of the Deed of Extrajudicial Partition with Quitclaim, executed by Respondent Hermoso de Leon, Perlita de Leon and Carlota de Leon in favor of Rodolfo de Leon was overcome by more than a preponderance of evidence of respondents?
- “3. Whether or not the possession of petitioner including her predecessor-in-interest Rodolfo de Leon over the land in question was in good faith?
- “4. And whether or not the instant case initiated and filed by respondents on February 24, 1993 before the trial court has prescribed and respondents are guilty of laches?”^[9]

The Court's Ruling

The Petition has no merit.

First Issue:

Validity of the Deed of Absolute Sale

Petitioner argues that, having been perfected, the Contract of Sale executed on December 6, 1975 was thus binding upon the parties thereto.

A contract of sale is consensual. It is perfected by mere consent,^[10] upon a meeting of the minds^[11] on the offer and the acceptance thereof based on subject matter, price and terms of payment.^[12] At this stage, the seller's ownership of the thing sold is not an element in the perfection of the contract of sale.

The contract, however, creates an obligation on the part of the seller to transfer ownership and to deliver the subject matter of the contract.^[13] It is during the delivery that the law requires the seller to have the right to transfer ownership of the thing sold.^[14] In general, a perfected contract of sale cannot be challenged on the ground of the seller's non-ownership of the thing sold at the time of the perfection of the contract.^[15]

Further, even after the contract of sale has been perfected between the parties, its consummation by delivery is yet another matter. It is through tradition or delivery that the buyer acquires the real right of ownership over the thing sold.^[16]

Undisputed is the fact that at the time of the sale, Rodolfo de Leon was not the owner of the land he delivered to petitioner. Thus, the consummation of the contract and the consequent transfer of ownership would depend on whether he subsequently acquired ownership of the land in accordance with Article 1434 of the Civil Code.^[17] Therefore, we need to resolve the issue of the authenticity and the due execution of the Extrajudicial Partition and Quitclaim in his favor.

Second Issue:

Authenticity of the Extrajudicial Partition

Petitioner contends that the Extrajudicial Partition and Quitclaim is authentic, because it was notarized and executed in accordance with law. She claims that there is no clear and convincing evidence to set aside the presumption of regularity in the issuance of such public document. We disagree.

As a general rule, the due execution and authenticity of a document must be reasonably established before it may be admitted in evidence.^[18] Notarial documents, however, may be presented in evidence without further proof of their authenticity, since the certificate of acknowledgement is prima facie evidence of the execution of the instrument or document involved.^[19] To contradict facts in a notarial document and the presumption of regularity in its favor, the evidence must be clear, convincing and more than merely preponderant.^[20]

The CA ruled that the signatures of Hermoso de Leon on the Extrajudicial Partition and Quitclaim was forged. However, this factual finding is in conflict with that of the RTC. While normally this Court does not review factual issues,^[21] this rule does not apply when there is a conflict between the holdings of the CA and those of the trial court,^[22] as in the present case.

After poring over the records, we find no reason to reverse the factual finding of the appellate court. A comparison of the signatures of Hermoso de Leon^[23] with his purported signature on the Deed of Extrajudicial Partition with Quitclaim^[24] will readily reveal that the latter is a forgery. As aptly held by the CA, such variance cannot be attributed to the age or the mechanical acts of the person signing.^[25]

Without the corroborative testimony of the attesting witnesses, the lone account of the notary regarding the due execution of the Deed is insufficient to sustain the authenticity of this document. He can hardly be expected to dispute the authenticity of the very Deed he notarized.^[26] For this reason, his testimony was — as it should be — minutely scrutinized by the appellate court, and was found wanting.

Third Issue:

Possession in Good Faith

Petitioner claims that her possession of the land is in good faith and that, consequently, she has acquired ownership thereof by virtue of prescription. We are not persuaded.

It is well-settled that no title to registered land in derogation of that of the registered owner shall be acquired by prescription or adverse possession.^[27] Neither can prescription be allowed against the hereditary successors of the registered owner, because they merely step into the shoes of the decedent and are merely the continuation of the personality of their predecessor in interest.^[28] Consequently, since a certificate of registration^[29] covers it, the disputed land cannot be acquired by prescription regardless of petitioner's good faith.

Fourth Issue:

Prescription of Action and Laches

Petitioner also argues that the right to recover ownership has prescribed, and that respondents are guilty of laches. Again, we disagree.

Article 1141 of the New Civil Code provides that real actions over immovable properties prescribe after thirty years. This period for filing an action is interrupted when a complaint is filed in court.^[30] Rodolfo de Leon alleged that the land had been allocated to him by his brother Hermoso de Leon in March 1963,^[31] but that the Deed of Extrajudicial Partition assigning the contested land to the latter was executed only on September 16, 1963.^[32] In any case, the Complaint to recover the land from petitioner was filed on February 24, 1993,^[33] which was within the 30-year prescriptive period.

On the claim of laches, we find no reason to reverse the ruling of the CA. Laches is based upon equity and the public policy of discouraging stale claims.^[34] Since laches is an equitable doctrine, its application is controlled by equitable considerations.^[35] It cannot be used to defeat

justice or to perpetuate fraud and injustice.^[36] Thus, the assertion of laches to thwart the claim of respondents is foreclosed, because the Deed upon which petitioner bases her claim is a forgery.

WHEREFORE, the Petition is **DENIED** and the assailed Decision **AFFIRMED**. Costs against petitioner.

SO ORDERED.

Puno, Sandoval-Gutierrez, Corona and Carpio Morales, JJ., concur.

[1] Rollo, pp. 9–20.

[2] Thirteenth Division. Written by Justice Presbitero J. Velasco Jr. and concurred in by Justices Ruben T. Reyes (Division chairman) and Juan Q. Enriquez Jr. (member).

[3] Assailed Decision, p. 10; rollo, p. 114.

[4] *Id.*, pp. 121–123.

[5] *Id.*, pp. 1–3 & 105–107.

[6] Presided by Judge Alicia B. Gonzalez-Decano.

[7] Rollo, pp. 37–50; records, pp. 252–265.

[8] This case was submitted for decision on November 7, 2002, upon the Court’s receipt of respondents’ Memorandum signed by Atty. Villamor A. Tolete. Petitioner’s Memorandum, filed on October 14, 2002, was signed by Atty. Simplicio M. Sevilleja.

[9] Petitioner’s Memorandum, p. 6; rollo, p. 182.

[10] *Balatbat vs. Court of Appeals*, 329 Phil. 858, August 28, 1996; *Campillo vs. Court of Appeals*, 214 Phil. 452, May 29, 1984.

[11] Article 1475 of the New Civil Code (NCC): “The contract of sale is perfected at the moment there is a meeting of the minds upon the thing which is the object of the contract and upon the price.”

[12] *Coronel vs. Court of Appeals*, 331 Phil. 294, October 7, 1996; *Leabres vs. Court of Appeals*, 146 SCRA 158, December 12, 1986.

[13] Article 1458 of the NCC: “By the contract of sale one of the contracting parties obligates himself to transfer ownership of and to deliver a determinate thing.”

[14] Article 712 of the NCC: “Ownership and other real rights over property are acquired and transmitted in consequence of certain contracts, by tradition.” Emphasis supplied.

[15] *Quijada vs. Court of Appeals*, 360 Phil. 81, December 4, 1998.

[16] *Equatorial Realty Development, Inc. vs. Mayfair Theater, Inc.*, 370 SCRA 56, November 21, 2001.

- [17] Art. 1434 of the NCC: “When a person who is not the owner of a thing sells or alienates and delivers it; and later the seller or grantor acquires title thereto, such title passes by operation of law to the buyer or grantee.”
- [18] §20 of Rule 132 of the Rules of Court.
- [19] §30 of Rule 132 of the Rules of Court.
- [20] Lao vs. Villones-Lao, 366 Phil. 49, April 29, 1999; Calahat vs. Intermediate Appellate Court, 311 Phil. 379, February 15, 1995; Yturralde vs. Azurin, 138 Phil. 432, May 30, 1969.
- [21] Flores vs. Uy, 368 SCRA 347, October 26, 2001; Santos vs. Reyes, 368 SCRA 261, October 25, 2001; Urbanes Jr. vs. Court of Appeals, 355 SCRA 537, March 28, 2001; American Express International, Inc. vs. Court of Appeals, 367 Phil. 333, June 8, 1999; Guerrero vs. Court of Appeals, 285 SCRA 670, January 30, 1998.
- [22] Si vs. Court of Appeals, 342 SCRA 653, October 12, 2000; Nokom vs. National Labor Relations Commission, 336 SCRA 97, July 18, 2000; Republic of the Philippines vs. Court of Appeals, 314 SCRA 230, September 14, 1999; Sta. Maria vs. Court of Appeals, 285 SCRA 351, January 28, 1998; Sps. Estonina vs. Court of Appeals, 334 Phil. 577, January 27, 1997.
- [23] See Deed of Extrajudicial Partition, folder of exhibits, pp. 1–3; Individual Income Tax Return, folder of exhibits, p. 29; Philippine American Life Insurance Company Health Statement, folder of exhibits, p. 30; and Panunumpa sa Katungkulan, folder of exhibits, p. 31.
- [24] Folder of exhibits, p. 5.
- [25] Assailed Decision, p. 8; rollo, p. 112.
- [26] Lopez vs. Court of Appeals, 81 SCRA 153, January 23, 1978.
- [27] §47 of the Property Registration Decree (PD 1529); Jose vs. Court of Appeals, 192 SCRA 735, December 26, 1990; Ferrer-Lopez vs. Court of Appeals, 150 SCRA 393, May 29, 1987.
- [28] Jose vs. Court of Appeals, supra; Bailon-Casilao vs. Court of Appeals, 160 SCRA 738, April 15, 1988.
- [29] Transfer Certificate of Title No. T-42238, folder of exhibits, p. 7.
- [30] Article 1155 of the NCC: “The prescription of actions is interrupted when they are filed before the court.”
- [31] TSN, April 25, 1994, pp. 5–6.
- [32] See Deed of Extrajudicial Partition, supra.
- [33] See respondents’ Complaint, rollo, p. 23.
- [34] Sotto vs. Teves, 86 SCRA 154, October 31, 1978; Tijam vs. Sibonghanoy, 131 Phil. 556, April 15, 1968.
- [35] Agra vs. Philippine National Bank, 368 Phil. 829, June 21, 1999; De Vera vs. Court of Appeals, 365 Phil. 170, April 14, 1999; Sotto vs. Teves, supra.
- [36] Reyes vs. Court of Appeals, 315 SCRA 626, September 30, 1999; De Vera vs. Court of Appeals, supra; Jimenez vs. Fernandez, 184 SCRA 190, April 6, 1990.