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**FIRST DIVISION**

**[ G.R. NO. 139503. July 25, 2006 ]**

**CATALINA JANDOC-GATDULA AS SUCCESSOR-IN-INTEREST OF THE LATE MANUELA JANDOC,PETITIONER, VS.JULIO DIMALANTA AS SUCCESSOR-IN-INTEREST OF VICENTA VDA. DE NATIVIDAD,**

**D E C I S I O N**

**PANGANIBAN, CJ:**

Under the peculiar factual circumstances of the present case, laches bars the recovery of a piece of real property, even if the mode of transfer used by an alleged member of a cultural minority lacks executive approval.

## The Case

Before us is a Petition for Review[1] under Rule 45 of the Rules of Court, challenging the November 25, 1998 Decision[2] and June 28, 1999 Resolution[3] rendered by the Court of Appeals (CA) in CA-GR CV No. 47405. The dispositive portion of the assailed Decision reads as follows:

> "**WHEREFORE**, the appeal is hereby **DISMISSED**. The decision of the Regional Trial Court of General Santos City is **AFFIRMED** with the added modification that the award of moral damages and attorney's fees previously adjudged against appellant and third-party defendants is hereby cancelled."[4]

The assailed Resolution denied reconsideration.

The progenitor of this case was an original action for specific performance filed by respondent's predecessor, Vicenta Dimalanta, against petitioner's predecessor, Manuela Jandoc, before Branch 1 of the Court of First Instance (CFI) of South Cotabato in General Santos City.[5] In that case, the CFI ruled in favor of Vicenta; Manuela was ordered to

execute a registrable document in favor of the former. On appeal, the appellate court in CA-GR No. 56268-R reversed the CFI and this time ruled in favor of Manuela and dismissed the Complaint of Vicenta. The Supreme Court denied Vicenta's appeal; thus, the Decision became final and executory.

Manuela then filed an Omnibus Motion, praying for the issuance of a Writ of Execution in Civil Case No. 1365 and a Writ of Possession in Land Registration Case No. N-78. This Motion was denied by the RTC of General Santos City, Branch 22. On appeal,[6] the appellate court[7] found neither error nor abuse of discretion on the part of the RTC.[8]

According to the then Intermediate Appellate Court (IAC), Manuela must seek her remedies in an appropriate action, in which the issues concerning the ownership and possession of the portion claimed and occupied by Vicenta may be properly litigated.

On October 28, 1987, in accordance with the last Decision cited above, Petitioner Catalina Jandoc-Gatdula instituted the present action against Respondent Julio Dimalanta. The case was for recovery of possession and/or ownership of real property, with damages and attorney's fees.[9] After due trial and hearing, the RTC dismissed the Complaint, disposing as follows:

> "ACCORDINGLY, judgments are hereby rendered dismissing [petitioner's] complaint and upholding the [Respondent] Dimalanta's counterclaim declaring him absolute owner of the disputed property and directing the [petitioner] to convey Transfer Certificate of Title No. T-19812 to said [respondent]; Ordering the deeds of mortgage over the property executed by [petitioner] and the third-party defendants cancelled and of no force and effect; Ordering the [petitioner] jointly and severally with third-party defendant Ricardo Yap to pay to the [Respondent] Dimalanta moral damages in the sum of P500,000,00 lawyer's fees of P100,000,00 plus costs."[10]

## The Facts

The CA adopted the trial court's narration of the events leading to this case, as follows:

> "Way back on December 6, 1948, when General Santos City was still a rustic, backwater community and sparsely populated, Manuela Jandoc sold to Vicenta

Aguilar de Natividad [a] portion of an unregistered land with an area of 1,680 square meters, more or less, situated at Dadiangas, Buayan, Cotabato. (now Dadiangas, General Santos City). The instrument of sale was crafted in Tagalog (Pilipino) and notarized by then Justice of the Peace Gavino Yapdiongco[11] of the Municipality of Buayan, Province of Cotabato. x x x Prior to the sale, the vendee Vicenta A. Natividad was in possession of the property conveyed where her dwelling and a movie house she owned stood. The consideration for the sale was P1.00 per square meter.

"A decade later, on September 10, 1958, Manuela Jandoc applied for the registration of three parcels of land located at Dadiangas, General Santos City with a total area of 2 hectares which embraced the property sold in 1948 to Vicenta Natividad under Land Registration Case No. N-78, LRC Rec. No. 15911 of the Court of First Instance of Cotabato. To expedite the proceedings and issuance of the decree of registration, applicant Manuela Jandoc dissuaded the vendee Vicenta Natividad from pursuing her opposition with expressed commitment to convey what was already sold to her.

"On March 23, 1972, Original Certificate of Title No. 0-2677 was granted to Manuela Jandoc pursuant to [D]ecree of [R]egistration [N]o. 138724 issued on March 7, 1972.[12]

"Demands were made of Manuela Jandoc to honor the promised conveyance but in vain. So on February 27, 1973, Vicenta Natividad instituted Civil Case No. 1365 for specific performance or reconveyance of the title to the 1,690 (sic) square meters sold to her in 1948 by Jandoc before the CFI of South Cotabato, now Branch 22 of the RTC of General Santos City. The core of Jandoc's defense was nullity of the contract of sale because as a Bilaan[13] member of the cultural community its approval by the Commission on National Integration was not obtained as mandated by Sections 145 and 146 of the Administrative Code of Mindanao and Sulu.

"On July 2, 1974, this court upheld the stand of the plaintiff Natividad and in the judgment directed defendant Jandoc, her heirs and successors-in-interest to execute a registrable deed of conveyance of the land sold to the plaintiff, plus damages.

"The judgment was appealed and in the decision of the Court of Appeals in CA-G.R. No. 56268-R, this court's judgment was reversed and set aside and the action of the plaintiff-appellee [Natividad] was dismissed.

"In the interim, before the appeal was decided by the Court of Appeals on December 29, 1981, the plaintiff-appellee Vicenta Natividad passed away on October 5, 1977 and on October 14, 1982 Julio Dimalanta was appointed as representative of deceased Vicenta Natividad after notice of death and motion for [substitution] of party was filed on June 2, 1982. The defendant-appellant Manuela Jandoc died on July 28, 1980 and was substituted by Catalina Jandoc Gatdula.

"The decision of the Court of Appeals was elevated by the losing party to the Supreme Court by appeal on certiorari but was dismissed on February 21, 1983 for having been filed a day late. Subsequent to the entry of judgment, the records were returned to this court for execution of the judgment.

"Catalina Jandoc in her capacity as sole heir of the estate of the late Manuela Jandoc filed an Omnibus [M]otion praying for the issuance of a writ of execution in Civil Case No. 1365 and a writ of possession in Land Registration Case No. N-78. Julio Dimalanta as successor-in-interest of deceased Vicenta Natividad, opposed the motion.

"On January 30, 1984, this court denied the omnibus motion. In the language of the then presiding judge, it was elucidated, thus:

> 'Indeed, a close scrutiny of the dispositive portion of the decision sought to be executed does not have any mandate whatsoever to be executed. The dispositive portion merely dismissed the complaint for Specific Performance, which was really an action for reconveyance. [x x x]. The issue of possession was never ventilated, much less, included in the dispositive portion for [plaintiff] to vacate the property by reason thereof and/or surrender possession thereof to the defendant. While the remedy of reconveyance and/or specific performance does not insure in favor of the plaintiff by reason of the dismissal thereof, there appears nothing more to be done by the plaintiff after the complaint was dismissed. The portion of the Court of Appeal's decision

> declaring the deed of sale executed by defendant in favor of the plaintiff on December 6, 1948 x x x was null and void, for non-compliance with Sections 145 and 146 of the Administrative Code of Mindanao and Sulu, is not part of the dispositive portion of the decision but only considered as part of the reasons or conclusions of the Court or as guide or enlightenment to determine the ratio decidendi of the case which is not controlling. While ownership may be considered in favor of defendant after reconveyance and/or specific [performance] was dismissed, yet such ownership and possession are not one and the same thing. A person may be declared owner, but he may not be entitled to possession.'

"The motion for a writ of possession in Land Registration Case No. N-78 was also denied to wit:

'Under the foregoing consideration and as explicitly observed by plaintiff, the writ of possession is not available against one who has been legitimately given possession like the oppositor (Julio Dimalanta) and the predecessor-in-interest (Vicenta Natividad). Besides a writ of possession cannot be issued by virtue of a counterclaim in an ordinary action for specific performance [or] action for reconveyance. x x x.'

"Two motions for reconsideration were filed by Jandoc and both were denied by this court prompting the movant to challenge the actions by mandamus and certiorari before the Court of Appeals which ruled in AC-GR SP No. 05406 on March 7, 1985, this wise:

> 'The petition for certiorari may not prosper. No jurisdictional issue is raised by the petition. Since the jurisdiction of the lower court in both Civil Case No. 1365 and Land Registration Case No. N-78, is admitted, and as 'the function of the writ of certiorari is to keep an inferior court within its jurisdiction and not to correct errors of procedure or mistakes in the judge's findings or conclusions', the petition for certiorari must be dismissed. x x x.

'Similarly, the petition for mandamus cannot succeed. As correctly observed by respondent Judge, no writ of execution may issue upon the decision of this Appellate Court dismissing the complaint in Civil Case No. 1365. The Supreme Court in *Casilan v. De Salcedo*, x x x ruled that 'the only portion of the decision that becomes the subject of execution is what is ordained or decreed in the dispositive part. Whatever may be found in the body of the decision can only be considered as part of the reasons or conclusions of the court, and while they may serve as guide or enlightenment to determine the ration decidendi, what is controlling is what appears in the dispositive part of the decision.

'Since the dispositive part of the decision of this Appellate Court in CA-GR No. 56268-R, December 29, 1981 x x x merely 'set aside the appealed decision of the trial court and dismissed the complaint of the plaintiff-appellee [Vicenta] with costs against said plaintiff appellee', respondent Judge correctly concluded that there is 'nothing more to be done by the plaintiff after the complaint was dismissed.'

'There is no merit in petitioners' contention that because the 'Appellate Court found that the deed of sale executed by defendant Jandoc was null and void, a mutual restitution of the subject of the contract and its fruits, and the price with interest, as provided in Article 1398 of the Civil Code, should be deemed included in the dispositive part of the judgment[.] Such an inference is untenable for, as a matter of fact, Jandoc's answer to the complaint in Civil Case No. 1365 did not ask for that relief. Her counterclaim sought only the payment to her or attorney's fees, litigation expenses, and moral damages. Her prayer was:

> 'That the complaint be dismissed with costs taxed against plaintiff, and on the counterclaim, that judgment be rendered in favor of defendant and against plaintiff, ordering the latter to pay unto the former, (1) P1,000.00 as attorney's fees, (2) P300 as actual and litigation expenses

> and such amount as may be deemed reasonable by way of moral damages. x x x.

"By the dismissal of the complaint, she obtained exactly what she prayed for, except damages.

'The dispositive part of the decision of this Appellate Court in CA-GR No. 56268-R is neither obscure nor carelessly prepared. We think that this court was deliberately restrained and circumspect in limiting its adjudication of the case to a declaration of the nullity of the deed of sale without touching on the ownership and possession of the property subject thereof, nor on the effects of the vendor-applicant's undertaking (in her two affidavits) to convey the title of the vendee's portion upon the registration in her name of the area of which it was a part. Neither did this court [attempt] to determine what rights, if any, the vendee and her successors-in-interest may have acquired as a result of their over-30-years-possession of the land as owners under the voided deed of sale; nor did it ascertain the nature of their rights in the 'Pioneer Hotel' ("the newest and most modern hotel as of this date [at] General Santos City,' according to the trial judge) which they built on the land with the knowledge and conformity of the vendor during the pendency of the land registration proceeding. We therefore find neither error nor abuse of discretion in respondent Judge's denial of her motion for execution in Civil Case No. 1365 and her motion for the issuance of a writ of possession in Land Registration Case No. N-78. She must seek her remedies in an appropriate action where the issues concerning the ownership and possession of the portion claimed and occupied by the private respondent may be properly litigated.

x x x x x x x x x

"The decision of the Court of Appeals was brought up on a petition for review on

> certiorari before the Supreme Court and was denied for lack of merit on July 15, 1985 in GR No. 70553."[14]

As stated earlier, petitioner instituted the present case for recovery of possession and/or ownership of real property, with damages and attorney's fees. In turn, respondent filed a Third-Party Complaint against Teodulo Yap, Ricardo Yap and Marcelo Yap, who were mortgagees of the subject property by virtue of the Deeds of Mortgage executed in their favor by petitioner.[15]

In its Decision[16] dated November 29, 1993, the RTC of General Santos City, Branch 22, ruled against petitioner and declared respondent the lawful owner of the disputed property. While acknowledging that petitioner's predecessor-in-interest (Manuela) might have been of native origin, it held that — based on the overwhelming evidence presented — she grew up, lived and died a Christian. This fact, noted the trial court, had not only been admitted by Manuela herself in other judicial proceedings, but was also generally known to several prominent residents of the place. Moreover, the evidence showed that, aside from being a registered voter of the place, she signed important documents with apparent ease and familiarity and retained the services of well-known lawyers in the locality in dealing with others.

The trial court also considered the 10 documents of sale[17] covering different portions of the same two-hectare land, subject of the registration proceedings in LRC No. N-78. Manuela had executed those documents in favor of several persons[18] without the approval of the Commission on National Integration (CNI). In several of those sales, she honored her obligations. Other sales[19] that had reached the courts were eventually sustained as valid.

Taking all the foregoing facts into consideration, the RTC concluded that the Deed of Sale executed 45 years earlier by petitioner's predecessor-in-interest was valid. That Deed of Sale effectively transferred ownership of the land in question to Vicenta, respondent's predecessor. Further, the trial court found that the mortgages executed by petitioner over the property had been executed in bad faith, because the parties to those transactions were aware of the existence of the hotel, other improvements, and the pending case over the property at the time. Hence, the RTC invalidated the mortgages.

Petitioner filed her Notice of Appeal on December 20, 1993;[20] the third-party defendants, on December 13, 1993.[21]

**Ruling of the Court of Appeals**

In the earlier case denominated as CA-GR No. 56268-R, the appellate court ruled that the decedent Manuela Jandoc was a member of the B'laan cultural community.[22] Accordingly, the Contract of Sale between Manuela and Vicenta was declared void.[23] Having become final in that prior case, the Decision therein became conclusive on the instant case and could no longer be opened. The matter raised in this second suit was identical in all respects with that decided in the first proceeding.

Nonetheless, the CA declared that in the instant proceeding, whether under *estoppel or laches,* Manuela should not be allowed to circumvent her long overdue obligations by the simple expedient of allowing her claim of membership in the cultural community; or, in the case of her successor-in-interest, by hiding under the doctrine of *res judicata.*

The CA also rejected the claim of petitioner that, on the assumption that the sale was valid, the transaction pertained only to the 510-square-meter portion of the property, as can be gleaned from the August 19, 1969 Affidavit of Manuela. According to the appellate court, this document should be construed in the light of circumstances obtaining at the time. The Affidavit could not have referred to the whole lot, because respondent had acquired the entire area of the subject property only in 1976, after a series of transactions.

When the Affidavit was executed, respondent was not yet the owner, but a mere lessee, of a meager portion of the lot — a portion over which he needed an assurance before he could put in his investments. Hence, nothing in this document should mean that, of the 1,480-square-meter lot covered by TCT No. T-19812 and presently claimed by respondent, only 510 square meters should be rightfully claimed.

Finally, the appellate court affirmed the findings of the trial court that the Yaps were mortgagees in bad faith. However, it removed the award for damages and attorney's fees for not being warranted under the circumstances. According to the CA, the institution of the instant case by petitioner was pursuant to the pronouncements of the CA in AC-GR SP No. 05406: that she should seek her remedies in an appropriate action; hence, she should not be penalized. Penalizing the right to litigate is not a sound policy. The anxiety and mental anguish suffered by respondent were usual and natural consequences in long drawn-out litigations.

Hence, this Petition.[24]

## Issue

Petitioner raises this lone issue for our consideration:

> "Whether or not the rights of petitioner over the property are rendered stale by laches x x x."[25]

Otherwise stated, the question is whether or not petitioner is entitled to ownership and possession of the subject land.

## The Court's Ruling

The Petition has no merit.

## Sole Issue:
## *Ownership and Possession*

We find no compelling reason to deviate from the findings of fact and the conclusion reached by the appellate court which, in turn, affirmed those of the trial court. Between Manuela (petitioner's predecessor-in-interest) and Vicenta (respondent's predecessor-in-interest), we believe and hold that ownership and possession of the subject property covered by TCT No. T-19812 properly belongs to Vicenta.

Undisputed is the existence of the Deed of Sale[26] executed by Manuela on December 6, 1948, conveying the 1,680-square-meter portion of her two-hectare land to Vicenta. Since then, the latter was publicly and openly in possession of the subject property in the concept of owner, and she paid the taxes due.[27] In 1958, Manuela filed an application for the registration of her entire property including that portion sold to Vicenta, who did not pursue her opposition in the registration case. Manuela, as well as her counsel, had assured the eventual conveyance to Vicenta of the latter's rightful portion.[28] They entered into this agreement, so as to facilitate the land registration case. Manuela reiterated these assurances in her Affidavits dated March 4, 1969,[29] and August 19, 1969,[30] duly subscribed before then Judge Fidel P. Purisima and Notary Public Jose L. Orlino, respectively.

From 1948 until around 1972, when Manuela obtained OCT No. 0-2677 over her entire two-hectare property, she never intimated to Vicenta that she was a B'laan. Neither did Manuela deny the validity of the sale for lack of approval by the CNI. It is also a fact borne out by the evidence on record that, in her transactions regarding other portions of her land covered by OCT No. 0-2677, she did not regard herself as a non-Christian who should be assisted by the

CNI. Several of those contracts had long been executed and titles[31] issued to the respective vendees. As regards the others that had reached litigation, the courts ordered her to honor her commitment to convey title to the property, thus rejecting her claim of being a B'laan.

Under these circumstances, Manuela is estopped from assailing, on the basis of her membership in a cultural minority, the validity of the sale to Vicenta; and from invoking Sections 145 and 146 of the Administrative Code of Mindanao and Sulu.[32] As correctly contended by respondent, Manuela never raised, at the earliest opportunity, the nullity of the sale on the basis of her alleged B'laan origin. On the contrary, she raised her belated claim only in 1973, when Vicenta filed an action for specific performance, docketed as Civil Case No. 1365. By then, almost twenty-five years had lapsed.

Laches, or staleness of demand, had likewise set in. It arises when there is failure or neglect, for an unreasonable length of time, to do that which by exercising due diligence could or should have been done earlier.[33] When there is laches, there is a presumption that the party entitled to assert a right has either abandoned or declined to assert that right. Indeed, by her silence for 25 years — coupled with her Affidavits executed in 1969, in which she acknowledged her promise to convey a portion of her two-hectare property to Vicenta — she effectively induced Vicenta to feel secure that no action, or adverse claim for that matter, would be foisted upon her.

In several decisions, this Court has held that laches will bar recovery of a property, even if the mode of transfer used by an alleged member of a cultural minority lacks executive approval.

*Miguel v. Catalino*[34] held that, even granting the proposition raised by the heirs — that there was no prescription against their father's recorded title — their passivity and inaction for more than 34 years (1928-1962) justified the defendant's equitable defense of laches. Despite the invalidity of his sale to Catalino Agyapao, the vendor suffered the latter to enter, possess and enjoy the land in question without protest from 1928 to 1943, when the seller died. In turn, while succeeding the deceased, the heirs also remained inactive. They did not take any step to reivindicate the lot from 1944 to 1962, when the suit was commenced in court. By their passivity, the defendant was made to feel secure in the belief that — even if not deemed barred — no action would be filed that would plainly be prejudicial to him. Said the Court:

> "x x x. Courts can not 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 30 long years, only to spring from ambush and claim title when the possessor's efforts and the rise of land values offer an opportunity to make easy profit at his expense. x x x
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> x x x x x x x x x
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> "x x x. In the case at bar, Bacaquio sold the land in 1928 but the sale is void for lack of the governor's approval. The vendor, and also his heirs after him, could have instituted an action to annul the sale from that time, since they knew of the invalidity of the sale, which is a matter of law; they did not have to wait for 34 years to institute suit."[35]

In *Heirs of Batiog Lacamen v. Heirs of Laruan,*[36] a similar case in which the original contracting parties were both members of a non-Christian tribe, this Court applied the equitable principle of laches. It ruled that the heirs of the vendor of the land could no longer question the validity of the sale for not bearing the official approval of the director of the Bureau of Non-Christian Tribes. The Court explained:

> "*Laruan's* sale of the subject lot to Lacamen could have been valid were it not for the sole fact that it lacked the approval of the Director of the Bureau of Non-Christian Tribes. There was impressed upon its face full faith and credit after it was notarized by the notary public. The non-approval was the only 'drawback' of which the trial court has found the respondents-appellants to 'have taken advantage as their lever to deprive [petitioners-appellants] of this land and that their motive is out and out greed.' As between *Laruan* and *Lacamen*, the sale was regular, not infected with any flaw. *Laruan's* delivery of his certificate of title to Lacamen just after the sale symbolizes nothing more than a bared recognition and acceptance on his part that Lacamen is the new owner of the property. Thus, not any antagonistic show of ownership was ever exhibited by *Laruan* after that sale and until his death in May 1938.
>
> "From the transfer of the land on January 28, 1928, Lacamen possessed and occupied the ceded land in *concepto de dueño* until his death in April 1942. Thereafter his heirs, petitioners-appellants herein, took over and exercised

> dominion over the property, likewise unmolested for nearly 30 years (1928-1957) until the heirs of Laruan, respondents-appellants, claimed ownership over the property and secured registration of the same in their names. At the trial, petitioners-appellants have been found to have introduced improvements on the land consisting of houses, barns, greenhouses, walls, roads, etc., and trees x x x."[37]

In upholding the title of Lacamen and his heirs despite the invalidity of the sale, the Court explained in this wise:

> "x x x. It has been held that while a person may not acquire title to the registered property through continuous adverse possession, in derogation of the title of the original registered owner, the heir of the latter, however, may lose his right to recover back the possession of such property and the title thereto, by reason of laches. Much more should it be in the instant case where the possession of nearly 30 years or almost half a century now is in pursuance of sale which regrettably did not bear the approval of the executive authority but which the vendor never questioned during his lifetime. *Laruan's* laches extends to his heirs, the respondents-appellants herein, since they stand in privity with him."[38]

In *Lucenta v. Court of First Instance of Bukidnon,*[39] the parties admitted that they had entered into an oral contract of barter. Both of them also belonged to a cultural minority group. Initially, the petitioner insisted that only 600 square meters of his lot had been offered in the barter agreement; after trial, he filed a Memorandum adopting a different theory of his case.

He attacked the legality of the barter itself on the ground that it had not been made in accordance with Sections 145 and 146 of the Administrative Code of Mindanao and Sulu. The trial court did not pass upon the legality of this transaction, because the issue had not been raised in the pleadings during either the pretrial or the trial. Instead, the RTC upheld the oral contract of barter and ruled that, based on the preponderance of evidence presented, what the petitioner had bartered was his whole lot. On appeal, this Court held thus:

> "x x x. This Court is not unmindful of the fact that, as a matter of public policy,

there are laws specifically enacted to govern members of cultural minorities like the parties in this case. However, the circumstances of the present litigation dictate that it would be more in keeping with justice and equity if the equitable principle of estoppel is applied.

"x x x. It is quite obvious that the petitioner's purpose is to profit from the land which was a mere garbage dump before the barter but which is now traversed by part of the national highway. The petitioner can realize this profit only if he could get back the land by taking inconsistent positions from initially attempting to prove that he bartered only 600 square meters of the said land to suddenly attacking the legality of the very barter which he himself, entered into. Aside from being *in pari delicto* with the private respondent, the petitioner is now estopped from assailing the validity and legality of the barter agreement which he entered into eight (8) years prior to his filing of an action and which action was initially anchored on the validity of said barter agreement.[40]

"x x x. In the case of Depositario v. Hervias, we ruled:

"Appellant's duplicity deserves the outright rejection of his claim. A party will not be allowed to make a mockery of justice by taking inconsistent positions which, if allowed, would result in brazen deception. The doctrine of estoppel bars a party from trifling with the courts and flaunting the elementary rules of right dealing and good faith."[41]

The principle enunciated in the foregoing cases is even more applicable to the present case. There is no imposition, fraud, or unfair advantage of any sort in this case. Manuela was fully aware of what she was doing. Besides, it was a fact that she had entered into the Contracts in the presence of petitioner, who was her stepdaughter, and of petitioner's husband.[42]

Given the circumstances of this case, the Court is constrained to apply the doctrine of estoppel and laches against petitioner, insofar as the requirement of government approval is concerned. Since Manuela is barred from setting up the plea of invalidity of sale, also barred is that same plea on the part of petitioner. Manuela's heirs, privies and successors in interest can have no better rights than her.

Petitioner argues that, being a member of a cultural community, Manuela thus becomes the less guilty party and deserves outright protection. In this instance, her contention cannot be countenanced.

Sections 145[43] and 146[44] of the Administrative Code of Mindanao and Sulu aims to safeguard the patrimony of the less developed ethnic groups in the Philippines by shielding them against imposition and fraud when they enter into agreements dealing with realty.[45] This Court is not unmindful of the intent behind these provisions. This aim is in line with the public policy stated in Article 24 of the Civil Code, which enjoins courts to be vigilant in protecting parties who — in all contractual, property or other relations — are at a disadvantage on account of their moral dependence, ignorance, indigence, mental weakness, tender age, or some other handicap.[46]

The court's duty to protect the native vendor, however, should not be carried out to such an extent as to deny justice to the vendee when truth and justice happen to be on the latter's side. The law cannot be used to shield the enrichment of one at the expense of another. More important, the law will not be applied so stringently as to render ineffective a contract that is otherwise valid, except for want of approval by the CNI. This principle holds, especially when the evils sought to be avoided are not obtaining.

In Cunanan v. CA,[47] the Compromise Agreement involving a member of a cultural minority was considered valid and binding between the parties, notwithstanding lack of approval of the agreement by the provincial governor or an authorized representative. The Court elucidated thus:

> "x x x. The evils sought to be avoided can hardly exist in compromise agreements, like the one under consideration, the parties thereto having had the assistance of their respective counsel, and the benefit of judicial scrutiny and approval. In fact, the Justice of the Peace considered, not only whether the parties fully understood their commitment under the agreement, but, also, whether the same infringed any existing laws or violated any 'customs or usages observed in the locality.' Besides, both parties forthwith took possession of the portions respectively allotted to them, thereby leaving no room for doubt that they were well aware of the nature of their undertakings and that the same reflected their true intent."[48]

Similarly, the present Deed of Sale, notarized by then Justice of the Peace Yapchiongco, was worded in Tagalog. Clearly, Manuela fully understood her commitment under the deed, because possession and ownership of the property were immediately turned over to Vicenta, who instituted improvements on it. Interestingly, neither in the Answer to the Complaint in Civil Case No. 1365 nor in the present case was it ever alleged and proven that Manuela had been exploited in any way by Vicenta.

On the other hand, it is evident that Manuela did not observe honesty and good faith,[49] because it was she who misled Vicenta by giving the assurance that the subject property would be reconveyed to the latter, as soon as it was titled. After obtaining the title, Manuela reneged on her promise, justifying her action by stating that she was a B'laan. She thus manifested her lack of good faith by taking an unconscionable advantage of Vicenta through forms or technicalities of the law.

Furthermore, taking into consideration the other sales previously executed by Manuela, it would clearly be unjust to allow her to repudiate the legality of her conveyance to Vicenta. As found by the Office for Southern Cultural Communities, Manuela cannot be selective and inconsistent in exercising her rights as a member of a cultural minority, if she is truly one.[50]

While the purpose of the law in requiring executive approval of contracts entered into by cultural minorities is indeed to protect them, this Court cannot blindly apply that law without considering how the parties exercised their rights and obligations. The strict letter of the law can never be at the expense of fairness, equity and justice.

WHEREFORE, the Petition is ***DENIED*** and the challenged Decision and Resolution are ***AFFIRMED***. Costs against petitioner.

SO ORDERED.

*Ynares-Santiago,(Chairman), Austria-Martinez, Callejo, Sr.,* and *Chico-Nazario, JJ.,* concur

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[1] *Rollo*, pp. 4-19.

[2] Annex "A" of Petition; *rollo*, pp. 21-34. Seventh Division. Penned by Justice Eloy R. Bello, Jr., and concurred in by Justices Salome A. Montoya (Division chair) and Ruben T. Reyes (member, now presiding justice of the CA).

[3] Annex "B" of Petition; id. at 35-36.

[4] Assailed CA Decision, p. 13; id. at 33.

[5] Docketed as Civil Case No. 1365.

[6] Docketed as AC-GR SP No. 05406.

[7] Then Intermediate Appellate Court (IAC); First Special Cases Division.

[8] *Exhibits for the Defendant/Third Party Plaintiff in Civil Case No. 3662;* records pp. 254-260.

[9] Docketed as Civil Case No. 3662; records, p. 1.

[10] RTC Decision dated November 29, 1993, p. 13; CA *rollo*, p. 83; records, p. 290.

[11] "Yapchiongco" in some parts of the records.

[12] The property subject of this case is now covered by TCT No. T-19812, after the subdivision of Manuela's entire property covered by OCT No. 0-2677. See Complaint, p. 2, CA *rollo*, p. 72, records, p. 2; *See also* Transfer Certificate of Title No. T-19812, *Exhibits for the Defendant/Third Party Plaintiff in Civil Case No. 3662*; records, pp. 292-293.

[13] "B'laan" in some parts of the records.

[14] Assailed CA Decision, pp. 2-6; *rollo*, pp. 22-26.

[15] See RTC Decision dated November 29, 1993, p. 1; CA *rollo*, p. 71; records, p. 278.

[16] CA *rollo*, pp. 71-83; records, pp. 278-290.

[17] *Exhibits for the Defendant/Third Party Plaintiff in Civil Case No.* 3662, Exhibits "4," "5," "6," "7," "8," "9," "65"; records, pp. 327, 344, 395, 417-418.

[18] Different portions of the same two-hectare property were sold to different vendees; namely, Genaro B. Valencia, Jr. (Deed of Sale dated April 10, 1972), Felix Enojado (Deed of Sale dated August 4, 1972), Fevi V. Purisima (Deed of Sale dated May 5, 1972), Victorio L. Velasquez (Deed of Sale dated June 28, 1972), Armie E. Elma (Deed of Sale dated April 7, 1972), Priscilla P. Abrasaldo (Deed of Sale dated January 8, 1973), Jose C. Catolico (Deed of Sale dated July 31, 1963), Johnny Ang (Deed of Sale dated January 22, 1970), Eustaquio S. Panlaque (Deed of Sale dated August 4, 1951) and Francisco Laiz (dated February 2, 1970).

[19] *See* Civil Case No. 1361, 1315, 1348; records, pp. 1-6, 7-12 & 332-334, 13-22 & 329-331.

[20] Records, p. 294.

[21] Id. at 291.

[22] *Exhibits for the Defendant/Third Party Plaintiff in Civil Case No. 3662;* records, pp. 600-602.

[23] Id. at 602.

[24] To resolve old cases, the Court created the Committee on Zero Backlog of Cases on January 26, 2006. Consequently, the Court resolved to prioritize the adjudication of long-pending cases by redistributing them among all the justices. This case was recently re-raffled and assigned to the undersigned *ponente* for study and report.

[25] Petition, p. 3; *rollo*, p. 6.

[26] *Exhibits for the Defendant/Third Party Plaintiff in Civil Case No. 3662,* Exhibit "28"; records, p. 59.

[27] *Exhibits for the Defendant/Third Party Plaintiff in Civil Case No. 3662*, RTC Decision dated July 2, 1974, Civil Case No. 1365; records, p. 577. Penned by Judge Pedro Samson C. Animas.

[28] Id. at 579.

[29] Records, p. 29.

[30] Id. at 30.

[31] *See* Exhibits; records, pp. 296-299, 301-302, 307-309, 311, 315-316, 317 and 320-321.

[32] See *Mabale v. Apalisok,* 88 SCRA 234, February 6, 1979.

[33] *Avisado v. Rumbaua,* 354 SCRA 245, March 12, 2001.

[34] 26 SCRA 234, November 29, 1968.

[35] Id. at 240, per Reyes, J.B.L., J.

[36] 65 SCRA 605, July 31, 1975.

[37] Id. at 610, per Martin, J.

[38] Id. at 611.

[39] 162 SCRA 197, June 20, 1988.

[40] Id. at 197-198, per Gutierrez, Jr., J.

[41] Id. at 203.

[42] *Exhibits For the Defendant/Third Party Plaintiff in Civil Case No. 3662*, RTC Decision, Civil Case No. 1365, p. 16; records, p. 590.

[43] "Sec. 145. *Contracts with non-Christians: requisites.* – Save and except contracts of sale or barter of personal property and contracts of personal service comprehended in chapter seventeen hereof no contract or agreement shall be made in the Department by any person with any Moro or other non-Christian inhabitant of the same for the payment or delivery of money or other thing of value in present or in prospective, or any manner affecting or relating to any real property, unless such contract or agreement be executed and approved as follows:

> (a) Such contract or agreement shall be in writing, and a duplicate thereof delivered to each party.
> (b) It shall be executed before a judge of a court of record, justice or auxiliary justice of the peace, or notary public, and shall bear the approval of the provincial governor wherein the same was executed or his representative duly authorized in writing for such purpose, indorsed upon it.
> (c) It shall contain the names of all parties in interest, their residence and occupation; x x x
> (d) It shall state the time when and place where made, the particular purpose for which made, the special thing or things to be done under it, and, if for the collection of money, the basis of the claim, the source from which it is to be collected and the person or persons to whom payment is to be made, the disposition to be made thereof when collected, the amount or rate per centum of the fee in all cases; and if any contingent matter or condition constitutes a part of the contract or agreement, the same shall be specifically set forth.

(e) x x x

(f) The judge, justice or auxiliary justice of the peace, or notary public before whom such contract or agreement is executed shall certify officially thereon the time when and the place where such contract or agreement was executed, and that it was in his presence, and who are the interested parties thereto, as stated to him at the time; the parties making the same; the source and extent of authority claimed at the time by the contracting parties to make the contract or agreement, and whether made in person or by agent or attorney of any party or parties thereto." (Cited in *Cunanan v*. CA, 134 Phil. 338, 341-342, September 28, 1968).

[44] "Sec. 146. *Void contracts.* – Every contract or agreement made in violation of the next preceding section shall be null and void; x x x[.]" (Id.)

[45] *Cunanan v. CA, supra; Madale v. Sa Raya and Alonto,* 92 Phil. 558, January 30, 1953; *De Palad v. Saito and Madrazo*, 55 Phil. 831, March 14, 1931.

[46] See also *Amarante v. CA,* 155 SCRA 46, October 26, 1987.

[47] 134 Phil. 338, September 28, 1968.

[48] Id. at 342, per Concepcion, CJ.

[49] Civil Code, Art. 19 states:

"Art. 19 – Every person must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith."

[50] *See* Letter dated May 26, 1989, *Exhibits for the Defendant/Third Party Plaintiff in Civil Case No. 3662;* records, pp. 629-631.

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Date created: August 11, 2014