

### Title:

Edilberto Noel vs. Court of Appeals and Jose C. Deleste (Consolidated Cases G.R. Nos. 59550 and 60636)

### Facts:

The Nanaman spouses, Gregorio Nanaman and Hilaria Tabuclin, owned a 34.7-hectare land in Tambo, Iligan City. Upon Gregorio's passing in 1945, his widow Hilaria and their ward Virgilio Nanaman administered the land, to the exclusion of Gregorio's other heirs.

In 1952, Hilaria and Virgilio mortgaged the land to Jose C. Deleste for P4,800. Then, on February 16, 1954, they sold it to Deleste for P16,000, with the transaction being registered in March 1954. Hilaria died in May 1954.

A dispute arose over the land after intestate proceedings were filed for Gregorio's estate in October 1954, with the land being included as an asset. Hilaria's relatives, Alejo Tabuclin and Julio Tabuclin, joined the petition, and Juan Nanaman, Gregorio's brother, was appointed special administrator of the estate, including the contested land.

Deleste and the Nanaman heirs entered an amicable settlement in 1957 but the court later set it aside, declaring it null and void. A new administrator, Noel, was then directed to file an action for the estate to recover the land from Deleste, resulting in a trial court decision in 1973 that deemed the action for annulment of the deed of sale as prescribed and ruled in Deleste's favor.

Noel appealed, and the Court of Appeals ruled that Deleste and the estate were co-owners of the land, and Deleste was ordered to return half to the estate and pay rentals and attorney's fees. However, upon a motion for reconsideration, the Court of Appeals amended its decision, aligning with the trial court and affirming Deleste's full ownership based on laches and prescription.

The case then went to the Supreme Court, with consolidated petitions for review on certiorari, questioning the Court of Appeals' application of laches and prescription.

### Issues:

1. Did Hilaria and Virgilio have the authority to dispose of the entire 34.7-hectare land?
2. Had the action to recover the property for the Nanaman estate prescribed?
3. Was the doctrine of laches applicable in favor of Deleste's claim over the land?

### Court's Decision:

The Supreme Court reversed and set aside the amended decision of the Court of Appeals and reinstated its February 18, 1980 decision. The Supreme Court found that Hilaria could validly alienate only her half-interest in the property, while Virgilio had no ownership rights to transfer. The action to recover Gregorio's heirs' share as an implied trust under Article 1456 of the Civil Code of the Philippines had not prescribed and was filed within the ten-year prescriptive period from the registration of the deed of sale. The Court also found that the doctrine of laches did not apply, as there was no negligent or dilatory action from the estate's administrator to recover the property.

### Doctrine:

1. A seller must be the owner of the property being sold, as enshrined in Article 1458 of the Civil Code of the Philippines.
2. An implied trust is created under Article 1456 of the Civil Code of the Philippines when property is acquired through mistake or fraud for the benefit of the person from whom the property comes.
3. The action based on an obligation created by law prescribes in ten years (Civil Code of the Philippines, Article 1144).

### Class Notes:

- Ownership and the authority to dispose thereof are fundamental in executing a sale.
- Nemo dat quod non habet - No one can give what they do not have.
- When property is acquired through mistake or fraud, it creates an implied trust for the real owner.
- Actions based upon obligations created by law must be brought within ten years from the time the right of action accrues.
- Laches applies when there is a failure to assert a right for an unreasonable and unexplained length of time, compromising the equitable relief sought.

### Historical Background:

The case reflects the legal complexities and progressions occurring during transitions from the Spanish Civil Code of 1889 to the Civil Code of the Philippines in 1950, particularly affecting property ownership, successions, and how these changes impacted post-colonial Philippine jurisprudence and administration of estates. The case also underscores societal attitudes towards illegitimacy and inheritance rights from the perspective of historical family structures and acknowledgment of heirs.