

****Title: Desiderio Dalisay Investments, Inc. vs. Social Security System (2018)****

****Facts:****

The legal case revolves around a parcel of land, including the building erected thereon, situated in Agdao, Davao City, covered by specific Transfer Certificate of Title (TCT) Nos., having an aggregate area of 2,450 sq.m. The Social Security System (SSS) filed a case before the Social Security Commission (SSC) in 1976 against the Dalisay Group of Companies (DGC) for unremitted SSS premium contributions of employees. Desiderio Dalisay, president of Desiderio Dalisay Investments, Inc. (DDII), offered the subject land and building to offset DGC's liabilities, but no agreement on value was reached. Subsequent negotiations and appraisals led to a meeting where an "authority to offer" for PhP 2 million was mentioned, followed by SSC's acceptance of the dacion en pago pegged at the said value. Despite this, the Transfer Certificates of Title for the properties remained in the name of the original owners.

Through successive legal actions and correspondence, issues arose concerning the execution of documents for the transfer, the reported total obligations, and claims for condonation and back rentals by DDII. The matter escalated into a lawsuit filed by DDII for Quieting of Title, Recovery of Possession, and Damages against SSS, asserting ownership and disputing the dacion en pago agreement. The Regional Trial Court (RTC), and upon appeal, the Court of Appeals (CA), ruled on the factual and legal bases of the agreement and the reciprocal actions of both parties over the years.

****Issues:****

1. Whether there was a perfected "Dacion en Pago."
2. Whether the non-transference of the Transfer Certificates of Title to SSS implies incomplete agreement.
3. Whether the prescriptive period for filing the action had already prescribed.
4. Whether DDII's delay in asserting its rights against SSS constituted laches.

****Court's Decision:****

The Supreme Court denied DDII's petition, affirming the CA's decision that there was indeed a perfected dacion en pago, transferring property ownership to SSS. The Court highlighted the definitive actions taken by DDII, indicating consent and agreement to the terms, such as facilitating the turnover of properties and preparing for vacating the premises for SSS. The Court underscored the principle of laches, pointing out DDII's extended inaction over 20 years, which undermined its claim for recovery of the subject

property. DDII was directed to execute a Deed of Sale in favor of SSS and surrender the relevant certificates of title.

****Doctrine:****

- The case reiterated doctrines on the perfection and consummation of contracts, particularly focusing on dacion en pago, where the parties' unequivocal agreement on the object and price, coupled with the actual delivery of the property, culminates in the extinguishment of the obligation and transfer of ownership.

****Class Notes:****

- Key Concepts: Dacion en Pago, Perfection of Contracts, Consummation of Contracts, Laches.
- Legal Statutes: Civil Code Articles relating to Contracts (Arts. 1245, 1319, 1496, 1497).
- The necessity for absolute and unqualified acceptance for contract perfection.
- Equitable and legal title distinctions, and the implications of ownership transfer through delivery ("tradition").
- The principle of laches as an equitable defense against recovery due to prolonged inaction.

****Historical Background:****

This case reflects the complex legal disputes that can arise from business transactions involving substantial obligations and the settlement of these through property transfers. It serves as a significant legal precedent in understanding the intricacies of dacion en pago and the effects of contractual agreements and actions (or inactions) leading to the final resolution of property disputes in the Philippine legal context.