

Title: Felicidad Vda. De Cabrera, Marykane Cabrera, and Felicidad Teokemian v. Court of Appeals and Virgilia Orais de Felicio

Facts:

The case traces its origin back to January 16, 1950, when Daniel Teokemian and Albertana Teokemian, inheriting a parcel of unregistered land located in Cateel, Davao Oriental, executed a Deed of Sale in favor of Andres Orais. However, their sister Felicidad Teokemian, a co-inheritor, did not sign the deed, although her name was printed therein. Despite this, Virgilia Orais, Andres Orais' daughter, had the land surveyed and later acquired a Free Patent and a Certificate of Title in her name, making the land officially registered as Lot No. 2239 with an area of 11.1 hectares.

Years later, Albertana Teokemian conveyed a portion of Lot 2239, purportedly corresponding to Felicidad Teokemian's share, to Elano Cabrera, Felicidad Vda. de Cabrera's husband, through a Deed of Absolute Sale dated July 27, 1972. The Cabrerias occupied the portion sold to them, relying on the deed despite it being signed by Albertana alone. The legitimacy of their occupation was not contested until Virgilia Orais filed a complaint for Quieting of Title and Damages in 1988, alleging that the Cabrerias unlawfully encroached onto her property based on a fraudulent sale document executed by Felicidad Teokemian.

At the Regional Trial Court, the case was decided in favor of the Cabrerias, emphasizing that the action of Orais was barred by laches. However, the Court of Appeals reversed this decision, ruling that the complaint of Orais was not barred by laches and that the Cabrerias acquired no title over the disputed lot.

Issues:

1. Whether the action for reconveyance based on an implied trust was barred by prescription.
2. Whether plaintiffs' action for quieting of title was barred by laches.
3. Whether the sale of a definite portion of the property before partition is valid and can confer title.

Court's Decision:

The Supreme Court granted the petition and reinstated the decision of the Regional Trial Court. The Court identified the main contention as the alleged waiver by Orais to recover any interest in the property due to the extended period that passed from the title's

registration until the action for quieting of title was instituted. It was determined that:

1. The action for reconveyance had not prescribed since the defendants were in actual possession of the property. This continuous possession granted them the continuing right to seek the aid of a court to ascertain their claim.
2. Plaintiff's delayed action (30 years after the certificate of title was issued) amounted to laches, warranting the presumption that the plaintiff either abandoned or declined to assert their claim.
3. The partial possession and use of the disputed portion by Felicidad Teokemian and thereafter the Cabrerias demonstrate a tacit acknowledgment of the divided interest in the property which favored the defendants.

Doctrine:

- This case reiterates the doctrine that the action for reconveyance based on implied or constructive trust prescribes in ten years unless the claimant is in possession of the property, in which case, the right to seek reconveyance does not prescribe.
- It further establishes that even registered owners can be barred from recovering possession of property through the principle of laches due to unreasonably delayed action.

Class Notes:

- Actions for reconveyance based on implied trust prescribe in ten years from the registration of the deed or issuance of the title, unless the claimant is in possession.
- Laches applies not merely due to the lapse of time but due to the effect of unreasonable delay, which could unjustly prejudice the defendant.
- A co-owner may sell, mortgage, or otherwise alienate their undivided share, but such transactions only affect their share upon division of the property.

Historical Background:

Historically, this case highlights the complexities arising in property disputes, especially involving inherited land and the implications of the Torrens system of land registration in the Philippines. The case underscores challenges faced when transactions involving land are executed without the consent of all co-owners or without clear delineation of shares, and how Philippine jurisprudence navigates between statutory prescriptions and equitable doctrines such as laches to adjudicate rights in landed property.