

Title: Maria Alvarez Vda. De Delgado et al. vs. Hon. Court of Appeals and Republic of the Philippines

Facts: Carlos Delgado, during his lifetime, owned a parcel of land in Catarman, Samar, totaling 692,549 square meters. On October 5, 1936, he donated 165,000 square meters of this land to the Commonwealth of the Philippines, with the condition that it be used exclusively for military purposes or training camps, and should it cease to be needed for these purposes, ownership would revert to the donor or their heirs. The Commonwealth took possession, making improvements for military use and had the land surveyed and registered under the Torrens system. Over time, this land area mistakenly included an extra 33,607 square meters from Carlos Delgado's adjacent lands.

After the Commonwealth was succeeded by the Republic of the Philippines in 1946, portions of the land were repurposed, including for uses not conforming to the original conditions set by the donor. This prompted the Delgado heirs to file for reconveyance in 1970, claiming non-compliance with the donation's conditional terms. The case was dismissed in 1983 due to non-prosecution. The heirs filed a new action in 1989, which was granted by the RTC, ruling in favor of reconveyance to the Delgados and compensation for expropriated portions. However, the Court of Appeals reversed this decision, prompting the Delgados to appeal to the Supreme Court.

Issues:

The Supreme Court deliberated on whether the action for reconveyance was barred by prescription and examined the effect of non-compliance with the donation's conditional terms. The Court also assessed claims regarding portions of land mistakenly included in the title granted to the Commonwealth, which were allegedly owned by the Delgados.

Court's Decision:

The Supreme Court denied the petition for review, affirming the decision of the Court of Appeals. It ruled that the action for reconveyance based on the violation of the deed's conditions should have been filed within ten years from the breach, which occurred when the Commonwealth (succeeded by the Republic) repurposed the land in 1946. The Court found that the delay until 1970 (and again in 1989) to file the action was beyond the prescriptive period. Likewise, for the mistakenly included 33,607 square meters, the Court ruled that the action for reconveyance also prescribed ten years after the title's issuance in 1939. Thus, the Delgados' right to reclaim this portion had likewise prescribed.

Doctrine:

The decision reiterates the applicability of the rules on prescription for actions based on a written contract, as well as the principle that an action for reconveyance of property based on an implied or constructive trust must be brought within ten years from the accrual of the cause of action.

Class Notes:

1. Prescription of action based on a written contract or obligation created by law is ten years (Article 1144 (1), Civil Code).
2. Automatic reversion clauses in donation deeds are enforceable but subject to prescriptive periods for actions to reclaim or enforce rights.
3. Registration of a property under mistaken inclusion creates a constructive trust for the real owner, but actions to correct such mistakes or reclaim property are subject to a ten-year prescriptive period from title issuance.

Historical Background:

This case underscores the transition from the Commonwealth of the Philippines to the Republic and its impact on land donated for specific purposes, reflecting challenges in adhering to the conditions of land donations post-transition, especially in cases where the purpose of donation is no longer served, and highlighting the legal principles regarding the enforcement of conditions in deeds of donation and the limitations imposed by the prescriptive periods for actions based on written contracts or obligations.