

Title:

Aznar Brothers Realty Company vs. Heirs of Aniceto Augusto & Petrona Calipan

Facts:

This case concerns Lot No. 4397 in Lapu-Lapu City, Cebu, originally owned by Aniceto Augusto, who left it to his descendants upon his death in 1934. The property remained undivided under Tax Declaration No. 02679 until 1962, when it was partitioned and sold to Aznar Realty under questionable circumstances. The sale and subsequent actions led to a legal battle spanning decades, culminating in a Supreme Court decision.

Detailed Procedural Posture:

- ****1962****: An extrajudicial partition canceled Calipan's tax declaration; new certificates were issued to various individuals who then sold the land to Aznar Realty.
- ****February 13, 1962****: The sale was registered.
- ****September 6, 1962****: A petition for title reconstitution was filed by Carlos Augusto, a grandson masquerading as a son of the original owner.
- ****1963****: A dubious "Affidavit of Declaration of Heirs" surfaced, preceding the issuance of a Transfer Certificate of Title to Aznar Realty.
- ****July 28, 1992****: Respondent heirs filed Civil Case No. 2666-L against Aznar Realty, seeking to recover the land and nullify the sale.
- The RTC dismissed the case, citing prescription. The respondents appealed.
- The Court of Appeals reversed the RTC's decision, finding that the action for declaration of nullity of the sale due to absence of consent was imprescriptible.

Issues:

1. Whether the action filed by the Heirs of Aniceto Augusto is barred by prescription.
2. Whether the sale of the land to Aznar Brothers Realty Co. is void due to fraud and absence of consent.
3. The applicability of laches in the case.

Court's Decision:

The Supreme Court denied Aznar Realty's petition, affirming the Court of Appeals' decision, thus allowing the heirs' complaint for reconveyance and annulment of the deed of sale to proceed.

- ****On Prescription****: The Court held the heirs' claim as imprescriptible since it sought to declare the inexistence of a contract due to fraud and absence of the owners' genuine

consent.

- **On Laches**: The Court found that the heirs could not be accused of laches, as they filed their complaint within a reasonable period of discovering the fraudulent sale.

Doctrine:

The action for the declaration of the inexistence of a contract, due to absence of consent or fraud, is imprescriptible as per Article 1410 of the Civil Code. Actions to recover property based on void contracts are not subject to prescription.

Class Notes:

- **Imprescriptibility**: Legal actions aimed at declaring a contract non-existent due to lack of consent or fraud do not prescribe.

- **Fraudulent Sale**: A sale can be declared void if proven that the alleged sellers were not the true owners or if the real owners did not consent to the sale.

- **Laches**: The principle of laches cannot be used to bar the enforcement of an imprescriptible legal right. Respondents asserting their rights within a reasonable time after discovering the fraud cannot be considered to have “slept on their rights.”

Historical Background:

This case highlights the complexities and potential for fraud in property transactions, especially involving undivided family-owned lands, and emphasizes the judiciary’s role in rectifying such situations, safeguarding rightful ownership and inheritance.