R. F. NAVARRO & CO., INC., HEIRS OF LAURA ADEA NAVARRO, AND HEIRS OF R.F. NAVARRO, SR., PETITIONERS, VS. HON. FORTUNATO A. VAILOCES, HON. NATHANAEL P. DE PANO, JR., HON. BONIFAC...

G.R. No. 102313. July 12, 2001*

Ponente: KAPUNAN, J.

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KAPUNAN, J.:

In this petition for review on certiorari, petitioners seek a reversal of the decision dated July 24, 1991 of the Court of Appeals in C.A.-G.R. CV No. 16068, the dispositive portion of which reads:

> WHEREFORE, the judgment appealed from is hereby REVERSED, and plaintiffs' complaint, as a consequence, is hereby DISMISSED.
>
> SO ORDERED.[1]

The antecedents of this case are as follows:

On June 17, 1975, petitioners R.F. Navarro and Co., Inc., Laura Adea Navarro and the heirs of R.F. Navarro, Sr. instituted an action for annulment of documents, titles and/or reconveyance with damages against the heirs of Eulogio Rodriquez, Sr. and Luzon Surety Co., Inc.[2] The subject properties of the case are two (2) adjacent lots and the building and improvements thereon, situated at David Street, Binondo, Manila, covered by Transfer Certificate of Title No. T-63345 in the Registry of Deeds of the City of Manila, in the name of private respondent Luzon Surety Co., Inc.

In their complaint, petitioners alleged that they are the owners of said lots by virtue of TCT No. 61619 registered in the name of Raymundo F. Navarro, married to Laura Adea Navarro and R.F. Navarro & Company. They further alleged that Raymundo Navarro entrusted subject property to Eulogio Rodriguez, Sr. In 1970, some time after the death of Raymundo Navarro, petitioners discovered that Rodriguez was able to transfer the property in his name and thereafter to his family corporation the Luzon Surety Co., Inc. Petitioners claimed that the transfer of the property in the name of Rodriguez was fraudulent as the same was done without any consideration and without the knowledge of the petitioners. Upon learning of the fraudulent transfers, petitioners demanded from the private respondents the return of the property, which demands the latter have refused.[3]

In their answer, private respondents alleged that the transfer of the property was done by virtue of a Deed of Sale with Assumption of Mortgage executed on August 12, 1941 by Raymundo F. Navarro, Sr. in his personal capacity and as president of R.F. Navarro & Co. in favor of Eulogio Rodriguez, Sr. As a consequence of said sale, TCT No. 61619 was cancelled and TCT No. 62411 of the Register of Deeds of Manila was issued in the name of Eulogio Rodriguez, Sr. on August 15, 1941. On December 16, 1941, Rodriguez executed a Deed of Assignment with Transfer of Mortgage in favor of Luzon Surety Co., Inc. and TCT No. T-63345 was issued in the name of the latter. Private respondents, likewise, raised as defense the fact that during his lifetime, Raymundo F. Navarro

never questioned the validity of the transfer and that the petitioners' cause of action had already prescribed and is barred by laches.

In its decision dated January 20, 1987, the trial court ruled in favor of petitioners. The trial court found that no deed of sale with assumption of mortgage was executed by and between Navarro and Rodriguez and that the document presented to be said Deed did not merit recognition as the same was not corroborated by any other evidence.[4] The dispositive portion of the trial court's decision reads:

> WHEREFORE, judgment is hereby rendered declaring as null and void TCT No. 63345 of the Register of Deeds for the City of Manila, signed by Mariano Villanueva as the same was proven by plaintiffs' evidence as fictitious and tainted with doubt in the acquisition of said Transfer Certifcate. It is hereby ordered further that defendants convey and transfer the ownership thereof to R.F. Navarro and Co. Inc., or the plaintiffs themselves and the latter to receive said parcels of land including the building thereon.

On appeal, the Court of Appeals reversed the trial court's decision and ruled in favor of the private respondents. It held:

> The Supreme Court decisions that we will have to take judicial notice of, quieted the title of Luzon Surety Co., Inc. to the property in question.
>
> Plaintiffs-appellees contend that the Supreme Court decisions did not affect them as they did not intervene in said cases. Luzon Surety's title, according to them is derived from the sale to it by the late Eulogio Rodriguez, Sr., whose acquisition of the property from Raymundo F. Navarro and R.F. Navarro & Co. Inc, under a deed of sale notarized by Notary Public Rodolfo Medina they impugn as fraudulent and fictitious, as, according to their Exh. "C-2" (a certification dated June 1983 by the Chief of the Archives Division of the Bureau of Records Management), there is no record on file in the Bureau of Records Management of a notary public by the name of Rodolfo Medina, practicing his profession in Manila in 1941.
>
> Oddly enough, the original sale of the Gibbs property (the property in question) to Raymundo F. Navarro and R.F. Navarro & Co., Inc. on April 18, 1941 was notarized by Notary Public Rodolfo M. Medina, and entered by said notary as Document No. 377 in Book II, page 79 of his notarial registry, series of 1941 (Exh. 13-A).
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> Section 49 of Rule 39 of the Revised Rules of Court, on the effect of a judgment by a court or judge of the Philippines having jurisdiction to pronounce the judgment, states in no uncertain terms that in case of a judgment against a specific thing, the judgment is conclusive upon the title to the thing
>
> A decision by the Supreme Court, by the very nature thereof is a public document. Under our rules on evidence, public documents are evidence, even against a third person, of the fact which gave rise to their execution. One fact, among others, that gave rise to the decision in G.R. No. L-1494 and G.R. No. L-2003 of the Supreme Court in 1949 was the fact that it had been proved that the property in question (the very property involved in this case), covered by TCT No. 63345 in the name of Luzon Surety Co., Inc. (defendant-appellant herein) had been cleared in 1943 by said defendant and Eulogio Rodriguez, Sr. of the subsisting mortgage indebtedness to Gibbs, consisting of the balance of the purchase price that said defendants had assumed after the sale by Raymundo F. Navarro and R.F. Navarro and Co., Inc. to Eulogio Rodriguez in the month of August 1941.
>
> There is merit, therefore, in appellant's thesis that the title of Luzon Surety Co., Inc. over the property is now indefeasible.
>
> Plaintiffs anchor their claim upon TCT No. 61619 dated April 30, 41941. Said certificate of title appears to have been cancelled by TCT No. 62411 issued to Eulogio Rodriguez, Sr. on August 15, 1941 (Exh. L), and which is the root of TCT No. 63345 of Luzon Surety Co., Inc. dated December 17, 1941.
>
> Plaintiffs' claim that these transfers were done behind the back of Raymundo F. Navarro is incredible.

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> If Raymundo F. Navarro had not sold the property in question to Eulogio Rodriguez, Sr., and did not know of the subsequent transfer to Luzon Surety Co., Inc., why is it that after liberation from Japanese occupation, the suit for collection of the balance of the purchase price was filed by Allison J. Gibbs and Finley Gibbs against Eulogio Rodriguez, Sr. and Luzon Surety Co., Inc., and not against Navarro.
>
> And why should they demand reconveyance when by their own evidence they have shown that they have not paid for the property in full?
>
> It even appears also from appellants' Exhibits 14 and 14-A that as far back as May 26, 1943 Raymundo F. Navarro and R.F. Navarro & Company, in a notarial instrument conceded and recognized the ownership of the appellant Luzon Surety Co., Inc. of the property in question under TCT No. 63345 and relinquished all claims on the building standing thereon.
>
> That Raymundo F. Navarro had indeed transferred the property in question to Eulogio Rodriguez is borne out by the narration of facts by the Supreme Court in the two cases above-mentioned. It is even stated in the decision in G.R. No. L-2003, George Littton and Rosa Tulod de Litton vs. Luzon Surety Co., Inc. and Eulogio Rodriguez, Sr. that Raymundo F. Navarro was the one who squealed to the Japanese Military Administration the fact of 80% of the purchase price of the sale of the property in question was still owned by the Americans: Allison D. Gibbs and his sons, and was due from Eulogio Rodriguez, Sr. who was then the President of the Board of Directors of Luzon Surety Co., Inc. He (Raymundo F. Navarro) precipitated thereby the sequestration by the Japanese invaders of the credit due to Gibbs, as enemy property.
>
> Even if the Navarro cause of action, if any they still had, may be considered to have accrued only in 1952 when the Litton case was decided by the Supreme Court, the commencement by the plaintiffs of this suit only 23 years later (1975) was much too late. Not only has prescription set in; plaintiffs are also already barred by laches. The law serves those who are vigilant, not those who sleep on their rights.
>
> The registered owner of property, according to the Supreme Court, whose property has been wrongfully registered in another's name may bring an action for reconveyance but he must do so within ten (10) years reckoned from the date of the issuance of the certificate of title (Melquiades vs. IAC, G.R. 68291, March 6, 1991).
>
> "A period of twenty-three years is definitely a long time to wait for one to finally claim his due. Considerable delay in asserting one's right before a court of justice is strongly persuasive of the lack of merit of his claim, since it is human nature for a person to enforce his right when the same is threatened or invaded. Thus, he is estopped by laches from questioning the ownership of the questioned land.[5](Quinsay, et.al. vs. IAC, G.R. 67935, March 18, 1991)

The motion for reconsideration of the foregoing decision having been denied for lack of merit in the October 14, 1991 Resolution[6] of the Court of Appeals, petitioners now seek recourse to this Court and raise the following issues:

> I
>
> WHETHER OR NOT THE MANIFESTATION AND MOTION FILED BY THE PRIVATE RESPONDENTS AS DEFENDANTS BELOW DURING THE PENDENCY OF APPEAL WHICH PRAYED THAT THE TRIAL COURT'S DECISION BE SET ASIDE AND A NEW ONE BE RENDERED IN THEIR FAVOR IS CONSIDERED A WITHDRAWAL OR AN ABANDONMENT OF THE APPEAL, SUCH THAT THERE IS NOTHING FOR THE COURT OF APPEALS TO CONSIDER AND DECIDE IN THE APPEALED CASE BEFORE IT.
>
> II
>
> WHETHER OR NOT THE SALE, TRANSFER OR CONVEYANCE OF THE PROPERTY IN QUESTION

> BY RAYMUNDO F. BAVARRO IN FAVOR OF EULOGIO RODRIGUEZ SR. AND SUBSEQUENTLY TO THE SALE, TRANSFER OR CONVEYANCE OF SAID PROPERTY BY EULOGIO RODRIGUEZ SR. IN FAVOR OF HIS COMPANY, THE LUZON SURETY CO., INC. ARE SPURIOUS, FRAUDULENT, FICTITIOUS, FALSE, INEXISTENT AND NULL AND VOID.
>
> III
>
> WHETHER OR NOT THE PRIVATE RESONDENTS SHOULD BE ASSESSED ACTUAL DAMAGES AND SUCH OTHER DAMAGES FOR HAVING BEEN RECEIVING AND HAVING BEEN ILLEGALLY AND UNLAWFULLY APPROPRIATING TO THEMSELVES THE RENTALS ON THE PROPERTY IN QUESTION DESPITE THE FACT THAT THEY ARE NOT THE REAL OWNERS OF THE PROPERTY IN QUESTION.[7]

The petition is without merit.

As regards the first issue, petitioners allege that the filing before the Regional Trial Court of their Manifestation and Motion on June 27, 1987 after they had filed their Notice of Appeal on June 9, 1987, private respondents are deemed to have withdrawn or abandoned their appeal. Petitioners argue that the filing of the Manifestation and Motion is an act inconsistent with their appeal, hence, may constitute an abandonment thereof.

We are not persuaded.

A reading of the manifestation and motion will reveal that the private respondents sought to have the decision of the Regional Trial Court set aside on the ground that the trial court failed to appreciate relevant evidence submitted as the same was nowhere to be found. It turned out that said evidence was with the Clerk of Court of Branch 54. Based on the contents of said pleading, the same may very well be treated as a motion for new trial.

As such, the appellate court correctly ruled in their resolution of May 16, 1988 that private respondent's filing of said pleading did not have the effect of withdrawing their appeal. The court a quo relied on our ruling in the case of St. Peter Memorial Park, Inc. vs. Hon. Jose Campos, Jr., et. al.[8] where we held that:

> Under American Law, a motion for new trial does not work as a waiver of the appeal, unless there is a rule to the contrary (U.S. v. Hodge, 12 L ed 437). Thus, both the motion for new trial and the appeal may be pursued at the same time (McCandless v. Kramer, 76 Idaho 516, 286 P2d 334; Labbe v. Cyr 111 A2d 330). This ruling is of persuasive effect on Us considering the source of our rules on appeal and new trial.

The appellate court concluded that:

> A perusal of the defendants' "Manifestation and Motion" shows that it can easily be treated as a motion for new trial or motion for reconsideration considering that the deed of sale mentioned in the decision as missing was later on found in the custody of the clerk of court of Branch 54 where the case was formerly assigned. For the sake of substantial justice and applying the aforecited authority by analogy, We cannot say there was abandonment of the appeal.[9]

Hence, the Court of Appeals had jurisdiction to entertain the appeal of the private respondents as there was no abandonment thereof.

Anent the second and third issues raised, this Court shall not, at great lengths, deal with them as we find that the conclusion of the appellate court that the land in question rightfully belongs to respondent Luzon Surety Company to be ably supported by both fact and law.

A careful examination of the records reveals no irregularity in the transfer of the property subject of this case from Raymundo F. Navarro, Sr. to Eulogio Rodriguez, Sr.

The annotation at the back of TCT No. 61619, by which deed petitioners claim title over the lots state:

> This certificate of Title is TOTALLY CANCELLED by virtue of a deed of sale (E-75807 T-62411) dated August 12, 1941; executed by Raymundo F. Navarro in favor of Eulogio Rodriguez Sr. for the sum of P242,500.00 and in lieu thereof Transfer Certificate of Title No. T-62411 has been entered on Page 151 of the Reg. Book T-208 (Doc. No. 203, Page No. 45, Book III of the Notary Public, Rodolfo Medina.
>
> Manila, August 15, 1941.

Petitioners, however, posit that the alleged sale was null and void because of the absence of consideration. Petitioners argue that private respondents failed to produce any receipts for the payments issued by the seller. Considering that such transaction involved a substantial amount, it would be highly improbable that Eulogio Rodriguez would part with such money without asking for an official receipt. Petitioners further buttress their claim with the statement of Laura Navarro and the other heirs of Navarro that they did not receive any consideration for the sale of said lot.

Such arguments are specious. The Deed of Sale with Assumption of Mortgage is the evidence itself of the receipt by Raymundo F. Navarro of the consideration of said sale. The pertinent portion of the deed states:

> That I, Raymundo F. Navarro, of legal age, Filipino, married to Laura A. Navarro, and a resident of 2836 Taft Avenue, Pasay, Rizal, Philippines, for myself and in my capacity as President of the R.F. Navarro & Company, for and in consideration of the sum of FORTY THOUSAND PESOS (P40,000) Philippine currency, in hand to me paid by Eulogio Rodriguez, Sr., of legal age, Filipino, married to Juana Santiago, and a resident of 533 Legarda, Sampaloc, Manila, Philippines, receipt whereof is hereby acknowledged, do hereby forever sell, cede and convey unto the said Eulogio Rodriguez, Sr., his heirs, executors, administrators and assigns, all our rights, title, interest and participation in the following parcels of land including the concrete building and other improvements thereon existing, situated in Calle Dasmarinas, District of Binondo, City of Manila xxx

Petitioners, however, claim that the above deed of sale is spurious as the same was not signed by Raymundo F. Navarro. Petitioners' attempts to show that the Deeds of Sale with Assumption of Mortgage executed by Navarro and Rodriguez are false do not impress us. The bare assertions on the part of Laura Adea Navarro that the signature appearing on the Deeds of Sale is not that of her husband is not enough. Forgery is not presumed; it must be proven by clear, positive and convincing evidence. Those who make the allegation of forgery have the burden of proving it since a mere allegation is not evidence.[10] In the case at bar, where the alleged forged signature was that of a President of a Corporation, petitioners could have easily presented other documents bearing the true signature of R.F. Navarro Sr., to substantiate their claim. Not having done so, Laura Navarro's uncorroborated claim cannot be given much weight. This is so especially in light of the fact that Laura Navarro was one of the plaintiffs and stood to gain by having the deeds of sale and the transfer certificate of title in the name of Luzon Surety Company declared void.

Petitioners' assertion that Rodolfo Medina, whose name appears on the questioned Deeds of Sale as the Notary Public was not a Notary Public in the City of Manila in 1941 deserves scant consideration. As pointed out by the Court of Appeals, if the same were true, then, petitioners cannot even claim ownership over said lots as the deed of sale of the property by Alisson Gibbs to Raymundo F. Navarro was, likewise, notarized by Rodolfo M. Medina in 1941.

Even if it were true that the Deeds of Sale were notarized by one who was not a real notary public, the same does not affect the validity thereof. Said documents were merely converted into private documents, which remained to be valid contracts of sale between the parties, since sale is a consensual contract and is perfected by mere consent.[11]

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Moreover, the records reveal (Exhibit 14) that on May 26, 1943 Raymundo F. Navarro and R.F. Navarro & Company, executed a notarial instrument whereby they conceded and recognized the ownership of the Luzon Surety Co., Inc. of the property in question under TCT No. 63345 and relinquished all claims on the building standing thereon. Petitioners have not questioned nor even cast a doubt as to the authenticity of said document.

In any case, assuming, ex gratia argumenti, that the Deeds of Sale with Assumption of Mortgage were spurious, we agree with the appellate court that petitioners are already barred by laches. Laches has been defined as the failure or neglect, for an unreasonable and unexplained length of time, to do that which by exercising due diligence could or should have been done earlier, it is negligence or omission to assert a right within a reasonable time, warranting a presumption that the party entitled to assert it has either abandoned it or declined to assert it.[12]

We cannot subscribe to the claim of petitioners that they are not guilty of laches as they immediately filed their complaint in court after having discovered the alleged fraudulent transfer and after demands for said properties were refused by the private respondents. It must be remembered that the Luzon Surety Company's transfer certificate of title was issued way back in 1941. Registration of said real property in the name of private respondent is considered as constructive notice to all persons including herein petitioners.[13] Moreover, private respondent had been in continuous possession and receiving all the fruits of said property since 1941. Yet, petitioners never questioned such exercise of the rights of ownership by private respondent Luzon Surety until 1970. Petitioners cannot use as an excuse their inaction by claiming that the property was held in trust by Eulogio Rodriguez, Sr. for Raymundo F. Navarro. Petitioners have failed to present an iota of evidence that indeed, such trust existed. Petitioner's unexplained inaction for a period of 29 years cannot be countenanced and undoubtedly amounts to laches.[14]

> Private respondents, having waited for 36 long years before filing an action to annul the sale to Felipa in the trial court we hold that this constitutes laches.[15]

Having slept on whatever rights they may have had, petitioners must now suffer the consequences of their inaction. Vigilentibus non dormientibus equitas.[16]

WHEREFORE, the petition is DENIED. The assailed decision of the respondent Court of Appeals is AFFIRMED.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Pardo, and Ynares-Santiago, JJ., concur.

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[*] This case was transferred to the ponente pursuant to the resolution in AM No. 00-9-03-SC. Re: Creation of Special Committee on Case Backlog dated February 27, 2001.

[1] Rollo, p. 53.

[2] Id., at 21-23.

[3] Id.

[4] Id., at 33-35.

[5] Id., at 49-52.

[6] Id., at 60-62.

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[7] Id., at 159.

[8] 63 SCRA 180, 185 (1975).

[9] Rollo, p. 102.

[10] Tenio-Obsequio vs. CA, 230 SCRA 550, 559 (1994).

[11] Carbonell vs. CA, 69 SCRA 99, 117 (1976).

[12] Vda. de Cabrera vs. CA, 267 SCRA 339, 355 (1997).

[13] Serna vs. CA, 308 SCRA 527, 536 (1999).

[14] Laurel-Manila vs. Galvan, 20 SCRA 198 (1967).

[15] Garbin vs. CA, 253 SCRA 187, 195 (1996).

[16] Vda. De Lima vs. Tio, 37 Phil 435, 441 (1918).

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