

SATURNINO D. VILLORIA, PLAINTIFF AND APPELLANT, VS. HON. SECRETARY OF AGRICULTURE AND NATURAL RESOURCES, ET AL., DEFENDANTS AND APPELLEES.

G.R. No. 11754. April 29, 1960

Ponente: GUTIERREZ DAVID, J.

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GUTIERREZ DAVID, J.:

Direct appeal to this court from a decision of the Court of First Instance of Cebu, dismissing plaintiff's complaint for injunction.

The essential facts of the case have been stipulated by the parties and are briefly stated as follows: On June 26, 1923, a parcel of land known as Lot No. 89 of the Talisay-Minglanilla Estate (Friar Lands) was purchased by herein plaintiff Saturnino D. Villoria from the Government of the Philippines for the sum of P1,042.00, payable in nine annual installments. Plaintiff paid the first installment of P122.00 on May 14, 1923. For his failure to pay the succeeding installments, the Director of Lands, on April 5, 1985, cancelled by unilateral administrative action the sale certificate, in accordance with the provisions of Lands Administrative Order No. 3, promulgated pursuant to the provisions of Acts Nos. 1120, 2230 and 2360, as amended, and Section 79 (B) of the Revised Administrative Code. More than two years thereafter, or on August 10, 1937, the same Lot No. 89 was purchased by one Susana Villoria from the Government pursuant to the provisions of Com. Act No. 32.

On September 24, 1945, Nicanor, Edilberta, and Emiliana, all surnamed Villoria, filed with the Bureau of Lands in Manila a joint petition claiming preferential right to purchase the respective portions of the lot in question actually occupied by each of them. After an investigation duly conducted, the Director of Lands, on June 24, 1947, rendered a decision denying the joint petition. On appeal however, the Secretary of Agriculture and Natural Resources, on January 2, 1948, reversed the decision of the Director of Lands and directed the latter to order the subdivision of the lot in accordance with the actual occupancy of the parties in 1937, and after such division, to sell to them the portions claimed by them, in accordance with the provisions of Com. Act 32, with refund to Susana Villoria of the corresponding purchase price paid by her for the portions adjudicated to the other Villorias. Her motion for reconsideration having been denied, Susana Villoria, on April 19, 1948, elevated the case to the Supreme Court on a petition for mandamus with preliminary injunction to compel the Director of Lands to execute a final deed of sale in her favor for the whole of Lot No. 89. The petition, however, was dismissed, this Court holding that petitioner's remedy, if any, was an ordinary action in the court of first instance. (G. R. No. L-2169.) Susana Villoria then instituted in the court below Civil Case No. R-601 against the Secretary of Agriculture and Natural Resources and the Director of Lands. After said officials had filed their answer, the court, Hon. Judge Edmundo S. Piccio, presiding, rendered a decision dated January 25, 1949, dismissing the complaint. Susana appealed to the Court of Appeals and as that court affirmed the decision, she brought the case to the Supreme Court on a petition for certiorari (G. R. No. L-6593). The petition, however, was denied.

On June 30, 1953, herein plaintiff Saturnino D. Villoria—upon learning that the lot in dispute was about to be

subdivided and the corresponding deeds of sale issued in favor of Susana Villoria, Nicanor Villoria, Edilberto Villoria and Emiliana Villoria—sent a telegram to the Director of Lands, requesting for the suspension of the issuance of the deeds of conveyance. The said telegram was followed by a letter of plaintiff's counsel, dated June 30, 1953 believing that Civil Case No. R-601 was still pending appeal, the Director of Lands replied that he could not take action on the request.

On July 27, 1953, plaintiff commenced the present action to restrain the defendants Secretary of Agriculture and Natural Resources and Director of Lands from subdividing the lot in question, from executing the deeds of conveyance and from issuing certificates of title for the said lot in favor of Susana, Nicanor, Emiliana and Edilberto, all surnamed Villoria, on the grounds that the cancellation by the Director of Lands of his contract for its purchase and the subsequent adjudication thereof to the Villorias were illegal.

On the basis of the above facts as stipulated, the court below, on November 9, 1954, rendered decision declaring the unilateral cancellation of the deed of sale in plaintiff's favor null and void, the same being contrary to the Friar Lands Act (Act No. 1120), but it dismissed the complaint just the same on the grounds of "prescription and/or laches." Motion for reconsideration of this decision having been denied, plaintiff brought the case to this Court on appeal.

We agree with the trial court that under the Friar Lands Act, the Director of Lands has no power to unilaterally cancel the sale certificate or contract for failure of the purchaser to pay subsequent installments. Section 17 of the said Act merely authorizes said Director of Lands to "enforce payment of any past due installment and interest by bringing suit to recover the same with interest thereon, and also to enforce the lien of the Government against the land by selling the same in the manner provided by Act No. 190 for the foreclosure of mortgages." (See *Director of Lands vs. Rizal*, 87 Phil., 806.)

But while the cancellation of the contract of sale was illegal, it was, however, only on June 30, 1953, that plaintiff Saturnino D. Villoria first asserted his claim by means of a telegram to the Director of Lands and only on July 27, 1958 that he filed his complaint in court. In the meantime, or two years following the cancellation of the contract of sale, the lot in dispute had been sold to Susana Villoria, his own sister. From then on, it became the subject of controversy between said Susana and Nicanor, Emiliana and Edilberto, also surnamed Villoria. Considering the lengthy controversy just mentioned and plaintiff's relation to Susana Villoria, he must have known that the land was subject of the claim of other parties. He should also have known of the apparent invalidity of the cancellation of his contract of sale by the Director of Lands, because it is a matter of law. See *Mejia de Lucas vs. Gamponia*, 100 Phil., 277; 53 Off. Gaz., 677.) Yet it took him more than 18 years from said cancellation (no less than 15 years from the sale of the land to Susana Villoria) to protest against the sale and subdivision of the lot in question in favor of Susana and the other Villorias. It has been held that one having sufficient knowledge to lead him to a fact is deemed to be conversant therewith and chargeable with laches in failing to act thereon. (*Kimbal vs. Director of Lands*, 62 Phil., 296.)

In the case of *Mejia de Lucas vs. Gamponia*, supra, this Court held that the equitable defense of laches require four elements: "(1) conduct on the part of the defendant, or of one under whom he claims, giving rise to the situation of which complaint is made and for which the complaint seeks a remedy; (2) delay in asserting the complainant's rights, the complainant having had knowledge or notice of the defendant's conduct and having been afforded an opportunity to institute a suit; (3) lack of knowledge or notice on the part of the defendant that the complainant would assert the right on which he bases his suit; and (4) injury or prejudice to the defendant in the event relief is accorded to the complainant, or the suit is not held to be barred." In the instant case, it is apparent that all the four elements are present.

By his inaction, plaintiff had caused Susana and the three other Villorias "the rigors and expenses of long protracted trial they litigated administratively and judicially from the Bureau of Lands to the Supreme Court." For the same reason, he misled the authorities and subsequent buyers of said lot into "believing he has acquiesced with the cancellation." Considering the changes of condition which had arisen during the period in which there had been neglect, we do not think the equitable power of the court can be invoked. To grant plaintiff the relief sought for would undeniably cause injustice to the parties aforementioned and their intervening rights destroyed or seriously impaired. We, therefore, hold that plaintiff's right to bring the present action has been converted into a stale demand by his inaction and neglect for more than 18 years.

It should here be stated that Susana Villoria has been in actual occupation and possession of the portion of the lot awarded to her since 1987, and the three other Villorias of the other portions even long before that date. The record does not show that plaintiff continued possession of the lot—if he ever was in possession thereof—after its sale to him was cancelled. The lower court's finding that plaintiff abandoned the lot in question thus appears to be supported by the record.

In view of the foregoing, the decision appealed from is affirmed, with costs against plaintiff-appellant.

Paras, C. J., Bengzon, Montemayor, Bautista Angelo, Labrador, Concepcion, Endencia, and Barrera, JJ., concur.
Padilla, J., took no part.

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