AURORA F. IGNACIO, PETITIONER, VS. VALERIANO BASILIO (SUBSTITUTED BY HIS WIDOW, CAYETANA VILLAFUERTE-BASILIO), RUBEN RIVERA,YSMAEL MAGNAYE, NORMA VALEROSO, BALDOMERO TELEBRICO, ...

G.R. No. 122824. September 26, 2001

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

For review on certiorari is the decision of the Court of Appeals dated March 20, 1995, in CA-G.R. SP No. 16830, as well as the resolution of November 22, 1995, denying petitioner's motion for reconsideration. Said decision affirmed the former Court of First Instance (CFI) of Rizal, Branch 15, in Land Registration Case No. 164-M, Record No. N-40137, decreeing the registration of certain parcels of land in favor of private respondent Valeriano Basilio.

The factual background of this case, drawn from the records, is as follows:

On September 4, 1941, seventy-four applicants filed separate applications for registration of two large parcels of land situated in barrios (now barangays) Rosario and Maybunga, Pasig, with the then Court of First Instance (CFI) of Rizal, Branch 1. The applications, which were consolidated as Land Registration Case (LRC) No. 1489, covered Lots 1 to 29 of Plan Psu-107981, with an aggregate area of 321,074 square meters. Notwithstanding the outbreak of the Pacific War, the case continued to be heard. On February 18, 1943, the applicants rested their case. However, during the war the court records were destroyed and the records of the case, thereafter, were ordered reconstituted. Thereafter, proceedings started anew.

On July 12, 1966, the trial court rendered judgment adjudicating the entire 29 lots of Psu-107981 in various undivided shares to the barrios (now barangays) of Rosario and Maybunga of Pasig, the Heirs of Macario Bautista, Heirs of Hilarion Ruiz, Heirs of Lucio Sumulong, Heirs of Agustin Victoria, Heirs of Victor Reyes, Heirs of Tomas Ramos, and Heirs of Pedro Buti.

Some of the losing parties then filed separate motions for reconsideration, partial reconsideration, and new trial. The trial court denied all these motions in its order of March 31, 1967. Subsequently, the losing parties filed CA-G.R. No. 41049-R with the Court of Appeals, asking the appellate court to reverse the judgment and orders of the trial court.

Sometime in 1969, petitioner acquired by purchase all the rights, interest, and participation of the Heirs of Hilarion Ruiz and Maria Victoria Ruiz in the disputed lots.

On March 2, 1971, while CA-G.R. No. 41049-R was pending with the appellate court, private respondent Valeriano Basilio filed LRC No. N-164-M with the CFI of Rizal, Branch 15, for the registration in his name, of Lot 1-Psu-235385 (portion of Lot 3 of Psu-107981), Lot 2-Psu-235385 (portion of Lot 3, Psu-107981), Lot 5-Psu-235385 (portion of Lot 6, Psu-107981), and Lot 6-Psu-235385 (portion of Lot 25, Psu-107981).

On August 13, 1971, the CFI of Rizal, Branch 15, rendered its decision in LRC No. N-164-M, affirming Basilio's title over Lots 1, 2, 5, and 6 of Plan Psu-235385 (portions of Lots 3, 6, and 25 of Plan Psu-107981 which forms part of the subject matter of LRC Case No. 1489).

On September 21, 1971, the CFI of Rizal, Branch 15, ordered the Land Registration Authority to issue a decree of registration and an Original Certificate of Title (OCT) in favor of Valeriano Basilio. Pursuant to Decree No. N-137158, OCT No. 9010 was issued in favor of Valeriano Basilio, who proceeded to subdivide the lots and sell the same to various purchasers who relied upon his clean title to the properties.

Meanwhile, on April 27, 1972, a third application for registration, LRC No. N-7824, involving Lots 1-29 of Plan Psu-107981 (subject matter of LRC No. 1489) was filed with the CFI of Rizal, Branch 13, by the Heirs of Macario Omana and other parties, including herein petitioner.

On December 18, 1974, the CFI of Rizal, Branch 13, rendered its decision in LRC No. N-7824, adjudicating Lots 4, 5, 8, 9, 20, 21, 23 and 25 of Psu-107981 to the Heirs of Macario Omana; Lots 26 and 27 to petitioner; Lot 29 to Magdalena de Guzman, and Lot 10 to Herminia Maranon. An OCT for Lots 26 and 27 of Psu-107981 was issued in petitioner's favor.

On June 17, 1975, the Court of Appeals promulgated its decision in CA-G.R. No. 41049-R, modifying the judgment in LRC No. 1489, with respect to the division of the lots. Motions for reconsideration were filed, but they were denied by the appellate court in its resolution dated October 23, 1981.

On March 1, 1988, petitioner moved for the issuance of a final decree of registration in LRC No. 1489 before the RTC of Pasig, Branch 151, (formerly CFI of Rizal, Branch 1). The motion excluded the properties adjudicated by the then CFI of Rizal, Branch 13, in LRC No. N-7824.

On April 21, 1988, the RTC of Pasig, Branch 151, ordered the issuance of the final decree of registration of the lots subject of LRC No. 1489. It was then discovered that title to portions of Lots 3, 6, and 25 had been issued in favor of Valeriano Basilio as a result of LRC No. N-164-M.

Petitioner then filed CA-G.R. SP No. 16830 with the appellate court for the annulment of the decision in LRC No. N-164-M, contending that the defunct CFI of Rizal, Branch 15, never acquired jurisdiction over the subject matter of LRC No. N-164-M, since said lots fell under LRC No. 1489, a case that was filed and decided earlier.

On March 20, 1995, the Court of Appeals dismissed the petition in CA-G.R. SP No. 16830. The appellate court held: (1) third persons have acquired, as good faith purchasers, substantial portions of the disputed property; (2) laches had already set in against petitioner; and (3) while petitioner assails the jurisdiction of the defunct CFI of Rizal, Branch 15, in LRC No. N-164-M, she failed to question the jurisdiction of the CFI of Rizal, Branch 13, in LRC No. N-7824 involving the whole 29-parcel realty but even tacitly recognized the same when she excluded in her motion for issuance of final decree of registration in LRC No. 1489, the lots adjudicated in LRC No. N-7824.

Petitioner then moved for reconsideration, but the same was denied in a resolution of the appellate court dated November 22, 1995.

Hence, the instant petition, anchored on the following assignment of errors:

The Honorable Court of Appeals erred:

> - IN NOT DECLARING VOID FOR LACK OF JURISDICTION OVER THE SUBJECT MATTER OF THE SUIT THE PROCEEDINGS BEFORE THE DEFUNCT COURT OF FIRST INSTANCE OF MAKATI, RIZAL, BRANCH XV, IN LRC CASE NO. N-164-M;

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- IN CONCLUDING THAT THE PROCEEDINGS IN LRC CASE NO. 1489 WHICH WAS AFFIRMED WITH FINALITY BY THE HONORABLE COURT OF APPEALS IN CA-G.R. NO. CA-G.R. (sic) NO. 41048-R DID NOT CONSTITUTE RES JUDICATA TO THE EXCLUSION OF THE SUBSEQUENT PROCEEDINGS IN LRC CASE NO. N-184-M;

- IN DECLARING THAT LACHES APPLIES AGAINST PETITIONER AND THAT THE RIGHTS OF INNOCENT THIRD PARTIES CANNOT BE DISREGARDED; AND

- IN CONCLUDING THAT PETITIONER TACITLY RECOGNIZED THE VALIDITY OF THE PROCEEDINGS IN LRC CASE NO. 7824.[1]

In our view, the following are the proper issues for resolution:

- Did the Court of Appeals err in not declaring the proceedings in LRC No. N-164-M before the defunct CFI of Rizal, Branch 15, null and void for want of jurisdiction?

- Is petitioner's action barred by laches?

Anent the first issue, it is contended that the proceedings in LRC No. N-164-M before the then CFI of Rizal, Branch 15, is indeed void for want of jurisdiction because the applications for registration in LRC No. N-164-M were filed only in 1971 or thirty (30) years after the former CFI of Rizal, Branch 1, had acquired jurisdiction over the disputed property with the institution of LRC No. 1489 in 1941. Admittedly a court which first validly acquires jurisdiction, takes it to the exclusion of the other courts.[2] However, certain legal considerations militate against a doctrinaire application of the foregoing principles with regard to the proceedings in LRC No. N-164-M.

First, land registration proceedings are actions in rem. It is not necessary to give personal notice to the owners or claimants of the land sought to be registered, to vest the court with authority over the res. Instead, it is the publication of notice of the application for registration which serves to apprise the whole world that such petition has been filed and whosoever is minded to oppose it, may do so within 30 days before the date set by the court for hearing the petition. It is the publication of such notice that brings in the whole world as a party and vests the court with jurisdiction to hear the case.[3] In this case, petitioner did not oppose the institution of LRC No. N-164-M, despite notice by publication. Failing to oppose the same at its institution, petitioner is now estopped to contest the validity of the decree issued in LRC No. N-164-M.

Second, as a proceeding in rem, the decree of registration issued in land registration cases is binding upon and conclusive against the entire world.[4] Under Section 38[5] of the Land Registration Act (Act No. 496), which was the law in force at the time of the institution of LRC No. N-164-M, petitioner had one year after the entry of the decree to file a petition for review. However, he failed to contest said entry. Thus he is bound now by the rule that upon the expiration of one year, every certificate of title issued in accordance with Act No. 496 "shall be incontrovertible."

Worthy of note, despite the foregoing rule, petitioner is not without a remedy. The landowner whose property has been wrongfully registered in another's name, after the one year period, could not ask the Court to set aside the decree, but he could bring an ordinary action for damages if, as in this case, the property has passed unto the hands of innocent purchasers for value.[6]

On the second issue, bar by laches appears particularly pertinent in this controversy. Laches is meant the negligence or omission to assert a right within a reasonable time, warranting a presumption that the party entitled to assert it either has abandoned it or declined to assert it.[7] It does not involve mere lapse or passage of time, but is principally an impediment to the assertion or enforcement of a right, which has become under the circumstances inequitable or unfair to permit.[8] While a question of jurisdiction may be raised at any time, a party may be

barred from raising it on ground of laches or estoppel.[9]

There is laches when: (1) the conduct of the defendant or one under whom he claims, gave rise to the situation complained of; (2) there was delay in asserting a right after knowledge of the defendant's conduct and after an opportunity to sue; (3) defendant had no knowledge or notice that the complainant would assert his right; (4) there is injury or prejudice to the defendant in the event relief is accorded to the complainant.[10]

All four elements, in our view, are present in this case. LRC No. N-164-M was instituted and decided in 1971. It involved land which, nearly three decades earlier, was the subject of LRC No. 1489 instituted by petitioner's predecessors-in-interest. It took petitioner some 18 years or until February 2, 1989 to file a petition to annul the proceedings in LRC No. N-164-M. In the meantime, private respondent Valeriano Basilio had already subdivided and sold portions of the disputed property to innocent purchasers for value. There was nothing in Basilio's title to make him suspicious that petitioner would file the instant suit. Should the proceedings in LRC No. N-164-M be nullified, transferees will immediately suffer substantial injury.

Where a party allows 4 years or more to lapse before instituting court action to enforce his claim, such action would be barred by laches.[11] It took petitioner in this case 18 years before filing suit to annul the proceedings in LRC No. N-164-M. We have consistently held that a party's long inaction or passivity in asserting his rights over disputed property precludes him from recovering the same.[12] The law helps the vigilant but not those who sleep on their rights.[13] We are constrained to conclude that no reversible error was committed by the Court of Appeals in finding that laches had set in to prevent petitioner from assailing the jurisdiction of the court in LRC No. N-164-M.

WHEREFORE, the instant petition is DISMISSED, and the assailed decision of the Court of Appeals in CA-G.R. SP No. 16830 is AFFIRMED. Costs against petitioner.

SO ORDERED.

Bellosillo, (Chairman), Mendoza, Buena, and De Leon, Jr., JJ. concur.

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[1] Rollo, p. 25.

[2] Lee v. Presiding Judge, MTC of Legaspi City, Br. 1, G.R. No. L-68789, 145 SCRA 408, 416 (1986); Laquian v. Baltazar, G.R. No. L-27514, 31 SCRA 552, 556-57 (1970); Alimajen v. Valera, et al., G.R. No. L-13722, 107 Phil. 244, 245 (1960); Lumpay, et al. v. Hon. Moscoso, G.R. No. L-14723, 105 Phil. 968, 973 (1959); Braca v. Tan, G.R. No. L-3053, 84 Phil. 582, 585 (1949).

[3] Director of Lands v. Court of Appeals, G.R. No. 102858, 276 SCRA 276, 284 (1997).

[4] Cacho v. Court of Appeals, G.R. No. 123361, 269 SCRA 159, 169 (1997).

[5] "SEC. 38. If the court after hearing finds that the applicant or adverse claimant has title as stated in his application or adverse claim and proper for registration, a decree of confirmation and registration shall be entered. Every decree of registration shall bind the land, and quiet title thereto, subject only to the exceptions stated in the following section. It shall be conclusive upon and against all persons, including the Insular Government and all the branches thereof, whether mentioned by name in the application, notice, or citation, or included in the general description `To all whom it may concern.' Such decree shall not be opened by reason of the absence, infancy, or other disability of any person affected thereby, nor by any proceeding in any court for reversing judgments or decrees, subject, however, to the right of any person deprived of land or of any estate or interest therein by decree of registration obtained by fraud to file in the competent Court of First Instance a petition for review within one

year after entry of the decree, provided no innocent purchaser for value has acquired an interest. Upon the expiration of said term of one year, every decree or certificate of title issued in accordance with this section shall be incontrovertible. If there is any such purchaser, the decree of registration shall not be opened, but shall remain in full force and effect forever, subject only to the right of appeal hereinbefore provided: Provided, however, That no decree or certificate of title issued to persons not parties to the appeal shall be cancelled or annulled. But any person aggrieved by such decree in any case may pursue his remedy by action for damages against the applicant or any other person for fraud in procuring the decree. Whenever the phrase `innocent purchaser for value' or an equivalent phrase occurs in this Act, it shall be deemed to include an innocent lessee, mortgagee, or other encumbrancer for value. (As amended by Sec. 3, Act No. 3621; and Sec. 1, Act No. 3630 and P.D. 1529, Sec. 39.)"

[6] Ching v. Court of Appeals, G.R. No. 59731, 181 SCRA 9, 17 (1990), citing Sy, Sr. v. Intermediate Appellate Court, G.R. No. L-66741, 162 SCRA 130, 144 (1988).

[7] Lim Tay v. Court of Appeals, G.R. No. 126891, 293 SCRA 634, 659 (1998).

[8] Philippine Bank of Communications v. Court of Appeals, G.R. No. 109803, 289 SCRA 178, 186 (1998).

[9] Pantranco North Express, Inc. v. Court of Appeals, G.R. No. 105180, 224 SCRA 477, 491 (1993); Gulang v. Nadayag, G.R. No. 82630, 214 SCRA 355, 362 (1992); Aquino v. Court of Appeals, G.R. No. 91896, 204 SCRA 240, 247 (1991); Bañaga v. Commission on the Settlement of Land Problems, G.R. No. 66386, 181 SCRA 599, 609 (1990); Tejones v. Gironella, G.R. No. L-35506, 159 SCRA 100, 104 (1988); Balais v. Balais, G.R. No. L-33924, 159 SCRA 37, 45 (1988); Capilitan v. de la Cruz, G.R. Nos. L-29536-37, 55 SCRA 706, 712 (1974); Tijam v. Sibonghanoy, G.R. No. L-21450, 23 SCRA 29, 35 (1968).

[10] MWSS v. Court of Appeals, G.R. No. 126000, 297 SCRA 287, 306 (1998).

[11] In Chung Ka Bio v. Intermediate Appellate Court, G.R. No. L-71837, 163 SCRA 534, 540 (1988), the Court considered barred by laches - 4 years; in PNB v. Court of Appeals, G.R. No. 97995, 217 SCRA 347, 357 (1993) - 7 years; in Vda. de Alberto v. Court of Appeals, G.R. No. 29759, 173 SCRA 436, 447 (1989) - 11 years; in De la Calzado-Cierras v. G.R. No. 95431, 212 SCRA 390, 396 (1992) - 12 years; in Gabriel Court of Appeals,v. Court of Appeals, G.R. No. 26348, 159 SCRA 461, 470 (1988), in Caragay-Layno v. Court of Appeals, G.R. No. L-52064, 133 SCRA 718, 723 (1984) - 20 years.

[12] Heirs of Teodoro Dela Cruz v. Court of Appeals, G.R. No. 117324, 298 SCRA 172, 181 (1998).

[13] Salandanan v. Court of Appeals, G.R. No. 127783, 290 SCRA 671, 679 (1998).

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