MARIA ALVAREZ VDA. DE DELGADO, CATALINA C. DELGADO, NATIVIDAD D. CLUTARIO, ANTONIA DELGADO, FLORINTINO DELGADO, PACIENCIA D. CAZORLA, GLORIA D. SOTIANGCO, JOSE DELGADO, JR., MAR...

G.R. No. 125728. August 28, 2001

Ponente: QUISUMBING, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-125728/

QUISUMBING, J.:

This petition assails the decision[1] of the Court of Appeals in CA-G.R. CV No. 36923 dated June 14, 1996, which reversed the decision[2] of the Regional Trial Court, of Catarman, Northern Samar, Branch 19, in a case originally involving reconveyance of property with damages between the Delgado family members as plaintiffs and the Republic of the Philippines as defendant.

The following facts appear on the record:

During his lifetime, Carlos Delgado was the absolute owner of a parcel of land with an area of 692,549 square meters, situated in the Municipality of Catarman, Samar. On October 5, 1936, said Carlos Delgado granted and conveyed, by way of donation or gift with quitclaim, all his rights, title, interest, claim and demand over a portion of said land consisting of 165,000 square meters in favor of the Commonwealth of the Philippines or its successors. Acceptance[3] was made by then President Manuel L. Quezon in his capacity as Commander-in-Chief of the Philippine Army.[4]

The Deed of Donation[5] states as reason or consideration the donor's desire to contribute to the formation of the National Defense of the Philippines. It contained the following condition:

> The condition of this donation is, that the parcel of land above described shall be for the exclusive benefit of the Commonwealth of the Philippines to be used as military reservation for training cadres or for such other uses of the Philippine Army as the Commander-in-Chief or Chief of Staff thereof may determine, provided that when the Commonwealth of the Philippines no longer needs this parcel of land for any military purposes, then said land shall automatically revert to the donor or its heirs or assigns.[6]

The donee promptly occupied the donated land and constructed buildings thereon for military purposes, such as a military training campsite. Further, after entering into physical possession of the land and making the said improvements, the donee caused the property and several others similarly donated to it[7] to be surveyed, with a view to having them all brought under the operation of the Torrens system and registered in the name of the Commonwealth of the Philippines.

Upon approval of the application for registration with the Court of First Instance of Samar, the parcels of land donated by Carlos Delgado (165,000 sq. m.), Visitacion Diaz (8,220 sq. m.) and Leona Balite (10,080 sq. m.), containing a total of 183,300 square meters in all, became identified as Lot No. 1, Plan Ps1-9. But said Lot No. 1 showed an area of 216,907 square meters, apparently with an excess of 33,607 square meters from the total area

of the parcels actually donated. Such apparent excess came allegedly from the neighboring parcels of land also owned by Carlos Delgado.

On February 6, 1939, the CFI of Samar decreed that on the basis of more than forty years of quiet, peaceful and continuous possession by the donors and their donee, and after finding a general default of opposition to the application for registration, the aforesaid parcels of land as well as the improvements thereon, were to be registered in the name of the Commonwealth of the Philippines as absolute owner thereof.

Pursuant to the CFI order, Original Certificate of Title No. 2539 was issued by the Register of Deeds on September 9, 1939, covering among other parcels the aforesaid Lot No. 1, Plan Ps1-9. The OCT contained an annotation of the express condition attached to the land donated by Carlos Delgado.

Subsequently, said OCT was later cancelled and replaced with Transfer Certificate of Title No. (0-2539)-160. It appears, however, that said TCT did not contain an annotation of the condition originally found in the Deed of Donation.

Upon declaration of independence on July 4, 1946, the Commonwealth of the Philippines passed out of existence. It was replaced by the existing Republic of the Philippines, which took over the subject land and turned portions of it over to the then Civil Aeronautics Administration (CAA), later renamed Bureau of Air Transportation Office (ATO). Said government agency has since utilized the land in question, or portions of it as a domestic national airport, with some portions rented to the Philippine Airlines, and some to the provincial government for a capitol site and a hospital site, and for some other uses which clearly are not military in nature.

A petition for reconveyance was filed on December 25, 1970, alleging as ground therefor the violation of the express condition imposed by the donor. It was also during this time that Jose Delgado, brother and lone heir of the donor, Carlos,[8] obtained a court order dated March 15, 1971, directing the insertion of the automatic reversion clause as an annotation in the TCT.

Due to the plaintiff's failure to prosecute, the case for reconveyance was eventually dismissed by the lower court without prejudice on September 26, 1983.

Sometime in early 1989, the heirs of Jose Delgado sent letters[9] to the different agencies occupying the subject property, inviting their attention to the donation and the violation of the condition imposed therein. No settlement or understanding was reached, such that on September 28, 1989, the widow and surviving heirs of Jose Delgado filed a new action for reconveyance with the RTC of Catarman, Northern Samar, Branch 19, docketed as Civil Case No. C-489.

On March 8, 1990, an Amended Complaint was filed wherein plaintiffs prayed for reconveyance of the donated parcel of land based on the following reasons:

> a) That there was non-compliance by the donee of the condition imposed in the deed of donation;
>
> b) That assuming there was compliance, the donation became inoperative when the donee, the then Commonwealth of the Philippines, passed out of existence on July 4, 1946, with the birth of the Republic of the Philippines, making the donation inoperative and the land subject thereof automatically reverted to the donor or his heirs;
>
> c) That in the event the court declares the donation to have subsisted, the excess of 33,607 square meters, over and above the 165,000 square meters donated by Carlos Delgado, should be declared to have been unlawfully included and registered in the name of the Commonwealth of the Philippines and is now in the possession of the Republic of the Philippines. They pray for the reconveyance of such excess, or in the alternative, to declare that portion to have been expropriated, entitling them to just compensation; and

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

> d) That the Republic should be declared a possessor in bad faith and therefore liable to the petitioners for the fruits received or could have been received from the use and occupation of the land. They likewise pray for actual and compensatory damages as well as attorney's fees.

In answer to the complaint, respondent Republic of the Philippines contends that the heirs have no cause of action and even denied knowledge of such donation, having no record thereof in its possession. It continually asserts government ownership over the property in dispute. Assuming arguendo that indeed there was such a donation, the Republic interposed these defenses:

> 1.) That defendant (Republic) as successor-in-interest of the Commonwealth of the Philippines thereby succeeded to all the rights, titles and interests of the latter with respect to the property in question; that the said donation continued to be operative and no automatic reversion occurred;
>
> 2.) That granting there was a violation of the condition, the action for reconveyance is already barred by laches, waiver and/or prescription; and
>
> 3.) That the suit is one against the state or the government which is immune from suit, and no consent was given by the latter to be sued.

The RTC ruled in favor of the petitioners herein and disposed of the case as follows:

> WHEREFORE, judgment is hereby rendered:
>
> a.) Ordering the defendant to reconvey in favor of the plaintiffs the ownership and possession of the portions of the land in question designated as Lots Nos. 1-A, 1-B, 1-C, 1-E, 1-G, 1-H and 1-I in the commissioner's report;
>
> b.) Declaring that portions designated as Lots 1-O, 1-J and 1-K deemed expropriated as of 1966 by the defendant and to pay just compensation therefor with interest thereon at the legal rate commencing from December 29, 1970, the date of filing of Civil Case No. C-504 (Exh. "X"), until fully paid; and
>
> c.) Ordering the defendant to pay plaintiffs the amounts of P10,000.00 and P5,000.00 as reimbursement for attorney's fee and other litigation expenses, respectively, and to pay the costs hereof.
>
> SO ORDERED.

On appeal to the Court of Appeals, the RTC ruling was reversed and set aside. Hence, this petition for review, wherein the following are assigned by petitioners as errors committed by the respondent court:

> I. THE RESPONDENT COURT SERIOUSLY ERRED WITH GRAVE ABUSE OF DISCRETION IN HOLDING THAT THE AUTOMATIC REVERSION CLAUSE CONDITION EXPRESSLY CONTAINED IN THE DEED OF DONATION AND AS ACCEPTED BY THE DONEE, IS NOT IMPRESCRIPTIBLE;
>
> II. THE RESPONDENT COURT SERIOUSLY ERRED WITH GRAVE ABUSE OF DISCRETION IN NOT HOLDING THAT THE PORTION NOW OCCUPIED BY THE PHILIPPINE ARMY DESIGNATED AS LOT 1-M IN EXHS. V AND V-1 WITH AN AREA OF 89,959 SQUARE METERS, SHALL REMAIN IN THE POSSESSION AND USE OF THE PHILIPPINE ARMY;
>
> III. THE RESPONDENT COURT SERIOUSLY ERRED WITH GRAVE ABUSE OF DISCRETION IN NOT DECIDING THAT LOTS 1-A, 1-B, 1-C AND 1-D AS DESIGNATED IN EXHS. V AND V-1 CONTAINING A TOTAL AREA OF 19,781 SQUARE METERS, HAVE BEEN EXPROPRIATED DE FACTO FOR PUBLIC USE FOR WHICH PETITIONERS ARE ENTITLED TO JUST COMPENSATION;
>
> IV. THE RESPONDENT COURT SERIOUSLY ERRED WITH GRAVE ABUSE OF DISCRETION IN NOT DECIDING THAT LOT 1-J WITH AN AREA OF 845 SQUARE METERS; LOT 1-K WITH AN AREA OF 739 SQUARE METERS; AND 1-O WITH AN AREA OF 59,408 SQUARE METERS AS DESIGNATED IN

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

EXHS. V AND V-1, HAVE BEEN EXPROPRIATED DE FACTO FOR PUBLIC USE FOR WHICH PETITIONERS ARE ENTITLED TO JUST COMPENSATION;

V. THE RESPONDENT COURT SERIOUSLY ERRED WITH GRAVE ABUSE OF DISCRETION IN NOT DECIDING THAT LOTS 1-E, 1-G, 1-H, 1-I, AS DESIGNATED IN EXHS. V AND V-1 WITH A TOTAL AREA OF 30,575 SQUARE METERS, HAVE TO BE RECONVEYED BY RESPONDENT REPUBLIC OF THE PHILIPPINES TO THE PETITIONERS; AND

VI. THE RESPONDENT COURT SERIOUSLY ERRED WITH GRAVE ABUSE OF DISCRETION IN NOT AWARDING TO PETITIONERS ATTORNEY'S FEES, LITIGATION EXPENSES AND COST OF SUIT.[10]

The main issue to be resolved by this Court now is whether or not the petitioners' action for reconveyance is already barred by prescription. From a resolution of this issue will proceed the proper adjudication of the rights of the parties to the subject land, including any right to just compensation, damages and other fees.

At the outset, we find that the case of Roman Catholic Archbishop of Manila vs. Court of Appeals, 198 SCRA 300 (1991), provides a precedent in the resolution of the issue at hand. It involved a donation by the Eusebio spouses as private respondents therein, of a parcel of land, with an express provision for automatic reversion of the donated property in case of a violation of the condition therein. This Court held that from parity of reasons, the rules governing onerous donations are applicable to donations with a resolutory condition.[11] Although automatic reversion immediately happens upon a violation of the condition and therefore no judicial action is necessary for such purpose, still judicial intervention must be sought by the aggrieved party if only for the purpose of determining the propriety of the rescission made.[12]

Applying Article 1144 (1) of the Civil Code on prescription of actions based on a written contract,[13] the petitioners herein should have instituted the action for reconveyance within 10 years from the time the condition in the Deed of Donation was violated. The earliest date the petitioners knew of the said violation of said condition was on July 4, 1946, when the Republic, as successor of the Commonwealth of the Philippines, took over the properties and diverted the property to uses other than that imposed by the donor. As found by the Court of Appeals, the cause of action of the petitioners has clearly prescribed,[14] having instituted the action for reconveyance only on December 29, 1970, or 24 years after the condition was violated. Said action was dismissed by the trial court on September 26, 1983 for failure of petitioners to prosecute the case. The institution of a new action for reconveyance made on September 28, 1989, does not alter respondent court's conclusion but in fact bolsters it, for by then, a total of 43 long years were allowed by petitioners to lapse before instituting the case at bar.

Even if the written communication sent by petitioners sometime in January 1969[15] and those made on February 10 and March 16, 1989 can be considered as written extrajudicial demands made by the creditors, they were nevertheless made way beyond the ten-year period of prescription stated in the law.

With regard to the alleged excess of 33,607 square meters mistakenly included in the Original Certificate of Title, we also find in order the ruling of the Court of Appeals that the action for its reconveyance has likewise prescribed.

Article 1456 of the Civil code states, "If property is acquired through mistake or fraud, the person obtaining it is, by force of law, considered a trustee of an implied trust for the benefit of the person from whom the property comes." In the case of Bueno vs. Reyes, G.R. No. L-22587, 27 SCRA 1179, 1183 (1969), we held that registration of property by one person in his name, whether by mistake or fraud, the real owner being another person, impresses upon the title so acquired the character of a constructive trust for the real owner, which would justify an

action for reconveyance. However, it is now well-settled that an action for reconveyance of registered land based on an implied trust prescribes in ten years[16] and it is from the date of issuance of such title that the effective assertion of adverse title for purposes of the statute of limitations is counted.[17]

Granting that in the present case, the said excess portion of petitioners' land was mistakenly registered in the name of the Commonwealth of the Philippines on September 9, 1939, still petitioners were admittedly aware of this fact. The issuance of the OCT on said date stating the total area included should have apprised them, even constructively, that a portion of their land was mistakenly claimed by the donee, respondent Republic's predecessor-in-interest. Petitioners should have taken appropriate legal action seasonably, within the ten years prescriptive period. Since petitioners filed their action belatedly, we find that they have also lost any right to the aforesaid portion of land consisting of 33,607 square meters.

For now, the causes of action which petitioners may have against the respondent Republic, in our view, are already barred by prescription. Extinctive prescription has set in in favor of the Republic, and it cannot now be sued based on the same causes of action. The main issue presented to us having been resolved, the other issues raised by petitioners no longer need elaboration for patent lack of merit.

WHEREFORE, the petition for review is DENIED and the appealed decision of the Court of Appeals in CA-G.R. CV No. 36923, dated June 14, 1996, is hereby AFFIRMED. No pronouncement as to costs.

SO ORDERED.

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

---

[1] Rollo, pp. 43-53.

[2] Id. at 85-92, dated November 27, 1991.

[3] Dated October 27, 1936, contained in the same Deed of Donation.

[4] Records, Vol. I, p. 7.

[5] Id. at 5-7.

[6] Id. at 5.

[7] One by Visitacion Diaz, with an area of 8,220 square meters and another by Leona Balite, with an area of 10,080 square meters.

[8] He died a widower and without issue in 1939.

[9] Dated February 10 and March 16, 1989. Records, Vol. II, pp. 18-20.

[10] Rollo, pp. 27-28.

[11] Citing De Luna, et al. vs. Abrigo, G.R. No. 57455, 181 SCRA 150, 156 (1990).

[12] Citing University of the Philippines vs. de los Angeles, G.R. No. L-28602, 35 SCRA 102, 107 (1970).

[13] Art. 1144. The following actions must be brought within ten years from the time the right of action accrues:

(1) Upon a written contract;
(2) Upon an obligation created by law;
(3) Upon a judgment.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

[14] Supra, note 1 at 52.

[15] Ibid.

[16] Cuaycong vs. Cuaycong, G.R. No. L-21616, 21 SCRA 1192, 1198 (1967); Carantes vs. Court of Appeals, G.R. No. L-33360, 76 SCRA 514, 525 (1977).

[17] Jaramil vs. Court of Appeals, G.R. No. L-31858, 78 SCRA 420, 425 (1977).

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.