RAMON P. ARON, PETITIONER, VS. THE HON. COURT OF APPEALS, NARCISO SALIBA, ERLINDA GUYAMIN, LEONILA PAGKALIWANAGAN, DIOSDADA AND ESTER CASTILLO, MARIETA VASQUEZ, ANDRES NIETO, AM...

G.R. No. 126926. August 16, 2001

Ponente: PARDO, J.

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PARDO, J.:

The Case

The case is an appeal via certiorari from the decision[1] of the Court of Appeals affirming the dismissal of petitioner's complaint[2] for specific performance, annulment of contract and title and reconveyance with damages on the ground of prescription and lack of cause of action.

The Facts

The facts, as found by the Court of Appeals, are as follows:

> "The case commenced on July 23, 1993 with the filing of the Complaint for Specific Performance, Annulment of Contract and Title, Reconveyance and Damages, docketed as Civil Case No. 93-89. In his Complaint, plaintiff, now appellant, alleged that defendant Paciencia Perrin (hereinafter referred to as Perrin) was the registered owner of a 35,718 square meter parcel of land in Bacoor, Cavite, covered by Transfer Certificate of Title No. 28785 of the Registry of Deeds of Cavite; that on April 3, 1963, Perrin entered into a contract of sale with him over said property for a total consideration of P25,000.00, payable of [sic] installments for a fifteen (15) year period; that under the Contract to Sell, Perrin was under obligation to execute a final Deed of Absolute Sale and to deliver title upon full payment of the purchase price, the last installment of which was to fall due on April 3, 1983; that upon his payment of such last installment, Perrin informed him that she could not execute the deed of sale nor deliver title, as yet, and begged for time to do so; that despite the lapse of years, Perrin was still unable to comply with her aforesaid obligations; that he served a letter of demand upon Perrin to comply therewith but despite receipt thereof, the latter still failed to do so; that he recently discovered that as early as September, 1972, Perrin had authorized defendant Jose M. Dragon (hereinafter referred to as Dragon) to sell the same property to defendant Doña Juana Development, Inc. (hereinafter referred to as Doña Juana); that he wrote a letter to Doña Juana about his claim over subject land but in reply, Doña Juana offered to repurchase subject land, which she admitted as having previously committed to him; that the sale of lots within subject land, to the other defendants, was done in utter disregard of his rights under the Contract to Sell; and that the sale to Doña Juana was anomalous and tainted with fraud as Perrin's attorney-in-fact Dragon, in the sale appears to be also the President of Doña Juana. Appellant thus prayed that Perrin be compelled to execute a Deed of Sale in his favor and to deliver to him the title to the said land in question, from all liens and encumbrances; the Deed of Sale between Perrin and Doña Juana as well as the documents of sale and title pertaining to other subsequent buyers be annulled; and that defendants be ordered to reconvey subject land to him, with new certificate of title issued in his name. Appellant also prayed for P50,000 moral damages, P50,000.00 exemplary damages, P20,000.00 attorney's fees, and costs of suit.

> "On September 17, 1993, the appellees, Narciso and Victoria Saliba, Erlinda Guyamin and Leonila Pagkaliwanagan, presented a Motion to Dismiss the Complaint on the grounds of lack of cause of action and prescription. Thereafter, or on September 30, 1993, to be precise, the appellees, Diosdada and Ester Castillo, Marieta Vasquez, Andres F. Nieto and Ameurfina Macapagal, also presented a Motion to Dismiss on the grounds of prescription and laches. Such Motion to Dismiss was adopted by appellee Soledad Magpoc.
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> "On the other hand, on September 28, 1993, appellees Magdalena C. Rivera and Natividad Encarnacion submitted their Answer with Counterclaim, averring good faith in the purchase of their respective lots and praying for the dismissal of the Complaint against them for lack of cause of action. They counterclaimed for P50,000.00 of exemplary damages, P50,000.00 of moral damages, P30,000.00 of attorney's fees and P50,000.00 for litigation expenses, and costs of suit.
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> "On July 14, 1994, the lower court issued its Order now on appeal granting appellees-movants' Motion to Dismiss. According to the lower court, movants were innocent purchasers for value, against whom the action for reconveyance could not prosper."[3]

On August 26, 1996, the Court of Appeals promulgated its decision affirming the appealed order.

On September 30, 1996, petitioner filed a motion for reconsideration.[4] On October 29, 1996, the Court of Appeals, however, ordered the motion expunged from the record for having been filed late.[5]

Hence, this petition.[6]

The Issues

The issues to be resolved are: (1) whether the decision of the Court of Appeals has become final because petitioner's motion for reconsideration was filed out of time; and (2) whether prescription has set in barring petitioner's cause of action.

The Court's Ruling

We dismiss the petition. On the first issue, we agree with the Court of Appeals that its decision has become final because the petitioner's motion for reconsideration was filed out of time. Petitioner received notice of the decision on August 29, 1996.[7] On September 16, 1996, he filed a motion for reconsideration.[8] On October 29, 1996, the Court of Appeals expunged the motion for reconsideration from the record for having been filed late.[9] Hence, the decision of the Court of Appeals has become final.

On the second issue, we rule that petitioner's action has prescribed. In paragraphs 4 and 4-1 of the complaint, plaintiff (herein petitioner), alleged that:

> "4. That on April 3, 1968, defendant Perrin entered into a Contract to Sell with plaintiff over the aforesaid land for a total consideration of P25,000.00, payable on installments for a period of fifteen (15) years, payment of which are as follows:
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> "10% downpayment upon execution of the contract to sell and thereafter, a yearly amortization of P1,500.00. Accordingly, plaintiff paid the sum of P2,500.00 downpayment and the sum of P15,000.00 to cover ten (10) years advance installment, or a total sum of P17,500.00. xerox copy of the Contract to Sell is hereto attached as Annex "B" hereof;

"4.1 Under Par. 2 of the Contract to Sell, defendant Perrin is under obligation to execute a final Deed of Absolute Sale and deliver title upon plaintiff's full payment of the sum of P1,500.00, the last installment of which falls on April 3, 1983;"[10]

Obviously, petitioner's cause of action is based on a written contract, the contract to sell a parcel of land by the

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respondent Perrin. Since petitioner's cause of action is based on a written contract, the same must be brought within ten (10) years from the time the right of action accrued.[11] Petitioner made the last installment payment under the contract to sell on April 3, 1983. Under the contract to sell, upon payment of the last installment, the seller was obliged to execute a deed of absolute sale over the subject property in favor of petitioner. Hence, petitioner's cause of action accrued on April 3, 1983. Petitioner filed the complaint with the lower court on July 23, 1993, which is beyond the ten (10) year period authorized by law. Petitioner's action has prescribed.

The contract to sell on installment between petitioner and Perrin was not registered and annotated on Transfer Certificate of Title No. 28785 of the Register of Deeds of Cavite. Consequently, the respondents were purchasers in good faith and for value and petitioner has no cause of action against them.

IN VIEW WHEREOF, the Court DENIES the petition because petitioner's action has prescribed. In any event, the decision of the Court of Appeals in CA-G. R. CV No. 46547 has become final and executory because petitioner's motion for reconsideration was filed out of time. No costs.

SO ORDERED.

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

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[1] Petition, Annex "A", Rollo, pp. 21-26. Purisima J., ponente, and Reyes, R.T. and Vasquez, Jr., JJ., concurring.

[2] Docketed as Civil Case No. RTC-BCV 93-89, RTC Record, pp. 1-9.

[3] Supra, Note 1, at pp. 2-3.

[4] CA Rollo, pp. 76-80; Petition, Annex "E", Rollo, pp. 62-66.

[5] CA Rollo, p. 85.

[6] Filed on December 20, 1996, Rollo, pp. 10-19. On August 14, 2000, we gave due course to the petition, Rollo, pp. 183-184.

[7] Return Card attached to Notice of Judgment, CA Rollo, p. 67.

[8] Posted by registered mail on September 16, 1996, CA Rollo, pp. 76-80.

[9] Resolution, adopted on October 29, 1996, CA Rollo, p. 85.

[10] Complaint, RTC Record, pp. 1-9, at p. 4.

[11] Article 1144, Civil Code of the Philippines.

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