

**HEIRS OF SPOUSES JOAQUIN MANGUARDIA AND SUSANA MANALO,
NAMELY: DANILO MANGUARDIA, ALMA MANGUARDIA, GEMMA
MANGUARDIA, RODERICK MANGUARDIA, MADELINE MANGUARDIA,
JOINED BY HER HUSB...**

G.R. No. 177616. August 27, 2014

Ponente: DEL CASTILLO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-177616/>

DEL CASTILLO, J.:

“[T]he burden of proving the status of a purchaser in good faith and for value lies upon him who asserts that standing.”[1]

Before this Court is a Petition for Review on Certiorari[2] seeking to reverse and set aside the Decision[3] dated June 22, 2006 rendered by the Court of Appeals (CA) in CA-G.R. CV No. 78302 which affirmed in toto the Decision[4] dated December 19, 2002 of the Regional Trial Court (RTC) of Roxas City, Branch 15, in Civil Case No. V-7421. Also assailed is the CA Resolution[5] dated March 27, 2007 denying petitioners’ Motion for Reconsideration.[6]

Factual Antecedents

The facts, as culled from the records, show that Marta, Simplicio, Melquiades, Rustico, Visitacion and Catalina, all surnamed Valles, were siblings. Simplicio and Marta were the registered owners of a 42,215-square meter property in Barrio Cudian, Ivisan, Capiz known as Lot 835 and covered by Original Certificate of Title (OCT) No. RO-4017.[7]

Marta died in 1943 and was survived by her illegitimate daughter, Encarnacion Ordas (Encarnacion). On the other hand, Simplicio died on April 20, 1957. He was survived by his wife Villarica[8] Ordas, who passed away sometime in 1969, and his children, Felicisimo, Adelaida, Rosario, Juan, and Dominica, all surnamed Valles. With the exception of Felicisimo, all of Simplicio’s children died single and childless. Felicisimo was survived by his wife, Presentacion[9] Capapas, and his children Graciano, Sulpicio, Teresita and Antonio (now deceased).

It appears, however, that on October 28, 1968, a notarized Deed of Absolute Sale[10] over Lot 835 was executed by Simplicio and Marta in favor of their brothers, Melquiades and Rustico; Simplicio’s daughter, Adelaida Valles (Adelaida); and Marta’s daughter, Encarnacion. The Deed of Absolute Sale ostensibly bore the signature of Marta and the thumb marks of Simplicio and his wife. On even date, said deed was registered in the Registry of Deeds of Capiz, resulting in the cancellation of OCT No. RO-4017 and the issuance of Transfer Certificate of Title (TCT) No. T-9409.[11] The following day, or on October 29, 1968, the alleged buyers and new registered owners executed a Subdivision Agreement,[12] subdividing Lot 835 into four lots. Said Subdivision Agreement was also registered on the same day in the Registry of Deeds of Capiz. Hence, TCT No. T-9409 was cancelled and in lieu thereof, individual titles to the subdivided lots were issued to the putative buyers as follows:

Name of Buyer

Lot No.

Area

TCT No.

Adelaida

Lot No. 835-A

10,555sqm.

TCT No. T-9411[13]

Melquiades

Lot No. 835-B

10,553sqm.

TCT No. T-9412[14]

Encarnacion

Lot No. 835-C

10,554sqm.

TCT No. T-9413[15]

Rustico

Lot No. 835-D

10,553sqm.

TCT No. T-9414[16]

Lot 835-A

Lot 835-A remains registered in Adelaida's name as it was never transferred or conveyed to anyone. But Graciano, Adelaida's nephew[17] and grandson of Simplicio, possesses it since 1970.

Lot 835-B

On February 16, 1970, Melquiades sold Lot 835-B to his niece and co-vendee in the original Deed of Absolute Sale, Encarnacion, and his nephew, Roberto Araza[18] (married to Dolores De Domingo), by way of a Deed of Absolute Sale of Realty.[19] Thereafter, TCT No. T-10255[20] was issued in their names.

On February 15, 1972, Encarnacion and Roberto Araza, who are cousins in the first degree, executed a Deed of Absolute Sale[21] in favor of the latter's aunt, Soledad Manalo Araza (Soledad; married to Pedro Araza), and TCT No. T-11237[22] was issued in her name.

On November 27, 1980, Soledad sold the lot to her niece, Susana Manalo Manguardia, and her husband, Joaquin Manguardia, (spouses Manguardia) by way of a Deed of Sale of Lots 835-B and 835-C, Ivisan Cadastre.[23] Consequently, TCT No. T-18953[24] covering Lot 835-B was issued in the names of spouses Manguardia.

Lot 835-C

On January 27, 1969, Encarnacion sold Lot 835-C, which she described as property she inherited from her mother, to her uncle and co-vendee in the original Deed of Absolute Sale, Rustico (married to Petrona Bacarra).[25] TCT No. T-9531[26] was issued in the name of Rustico two days after the execution of the sale document.

On March 19, 1970, Rustico sold the lot to spouses Pedro Araza (Pedro) and Soledad[27] by virtue of a Deed of Absolute Sale.[28] Thereafter, TCT No. T-10170[29] was issued in their names.

In the aforesaid Deed of Sale of Lots 835-B and 835-C, Ivisan Cadastre[30] dated November 27, 1980, Pedro and his wife Soledad also sold Lot 835-C to the spouses Manguardia. Subsequently, TCT No. T-18952[31] covering Lot 835-C was issued in the names of the latter.

Lot 835-D

Rustico likewise sold Lot 835-D to Pedro and Soledad under the Deed of Absolute Sale[32] dated March 19, 1970 and the corresponding Torrens[33] title was issued. Then on May 8, 1972, Pedro and Soledad executed a Deed of Absolute Sale[34] in favor of their nephew Leonardo Araza (Leonardo; married to Rebecca Arroyo),[35] who was one of the attesting witnesses to the original Deed of Absolute Sale. Subsequently, TCT No. T-11315[36] was issued by virtue of such sale.

As a result of the conveyances, the registered owners of Lot 835 are:

- a) Adelaida (Lot 835-A);
- b) Spouses Manguardia (Lots 835-B and 835-C); and
- c) Leonardo and Rebecca (Lot 835-D).

As previously mentioned, Lot 835-A is presently occupied by Graciano. The other lots are presently occupied by the surviving heirs of the registered owners.

On December 13, 1999, the heirs of Simplicio and Marta, namely, Graciano, Sulpicio and Teresita Valles, along with their mother Presentacion and Teresita's husband, Leopoldo Alair (respondents), commenced an action for the Declaration of Nullity of Certificates of Title and Deeds of Sale, Cancellation of Certificates of Title, Recovery of Possession and Damages[37] against the heirs of spouses Manguardia and the heirs of spouses Leonardo and Rebecca (petitioners) in the RTC of Roxas City. Respondents alleged that in September 1998 they discovered the various documents of sale and titles covering Lot 835 when Teresita and her siblings agreed to subdivide the lot among the heirs of Simplicio and Marta and searched for the title of the property in the Registry of Deeds of Capiz. They averred that the purported Deed of Absolute Sale dated October 28, 1968 is a forgery because Marta and Simplicio were long dead when the said document was executed. Consequently, all titles emanating therefrom including the titles covering the subdivided lots of Lot 835 registered in the names of spouses Manguardia, Leonardo and Rebecca, and Adelaida, are all null and void. Respondents, therefore, prayed that petitioners be ordered to remove the improvements introduced on the disputed lot and vacate the same, and that a new title be issued over Lot 835 in the names of Marta and Simplicio as owners.

In their Answer,[38] the heirs of spouses Manguardia[39] averred that their predecessors-in-interest were innocent purchasers in good faith and for value, having acquired Lots 835-B and 835-C in 1980 from their registered owners and occupants, Pedro and Soledad. They further averred that their parents had been in possession of the lots since they purchased them in 1980, and had since then constructed four buildings thereon for their poultry business, without opposition from anyone, including Graciano who occupies the adjacent Lot 835-A. They maintained that the titles in the names of the spouses Manguardia are valid and legal. In addition, since the documents of sale and Torrens titles were duly registered in the Registry of Deeds, and that actual possession by

the different transferees spanning a period of over 30 years were known to the respondents and their predecessors without any complaint or opposition, the claim of respondents is barred by prescription, estoppel and laches. The heirs of the spouses Manguardia moreover asserted that the Complaint against them fails to allege a cause of action and that the same was not brought by the real parties-in-interest.

On the other hand, the heirs of Leonardo and Rebecca[40] (except Antonio Araza) in their Answer,[41] averred that their Torrens title covering Lot 835-D is valid and lawful having been issued as a result of their parents' acquisition of said lot from the registered owners, spouses Pedro and Soledad. They averred that their parents were purchasers in good faith and for value and that the document of sale is genuine and authentic. The heirs of Leonardo and Rebecca further alleged that the matter of the subdivision and ownership of the lots was known to respondents as they had been, from Mindanao, coming back and forth to the subject property; and, that despite such knowledge, they never claimed or complained about the ownership of Leonardo and his heirs over the subject lot. By way of affirmative and special defenses, the heirs of Leonardo and Rebecca contended that the action is already barred by prescription, estoppel and laches. This is considering that immediately after the sale in 1972, their parents possessed and exercised all acts of dominion over Lot 835-D without opposition from anyone, including Graciano. Also, there is no cause of action against them and the Complaint was not brought by the real parties-in-interest.

In their Answer[42] to the Amended Complaint, the heirs of Enecita Araza Vargas raised the same averments, affirmative and special defenses, and counterclaims as those raised by the other heirs of Leonardo and Rebecca. Likewise, Antonio Araza adopted the Answer of the other heirs in a Manifestation[43] submitted to the court.

Ruling of the Regional Trial Court

The trial resulted in the RTC rendering a Decision[44] in favor of herein

respondents. It declared the Deed of Absolute Sale dated October 28, 1968 void ab initio because there was no proof that the vendors, Marta and Simplicio, were still alive in 1968 and had signed/thumb marked the sale document. The RTC likewise opined that the vendees in the questioned sale document could not feign ignorance of the death of the purported vendors because two of them are their brothers, while each of the other two are children of each of the said vendors. Consequently, the RTC also declared the series of documents of sale, including the Subdivision Agreements and the corresponding Torrens titles issued subsequent to OCT No. RO-4017, as null and void. It did not consider the subsequent buyers of the different portions of the lot as innocent purchasers in good faith and for value because some transfers were made by and among co-vendees, a witness in the void Deed of Absolute Sale, and close relatives. The transfers did not go far, but were limited to close relatives by affinity and consanguinity, living in close proximity to each other. Because of these, the trial court found it hard, if not impossible, to presume good faith among the parties to the series of conveyances.

With regard to the issue of laches and prescription, the trial court held that it would be impractical, unjust and patently iniquitous to apply laches against the respondents by virtue of an absolutely simulated deed which never conveyed any right over the subject properties to the alleged original buyers. It ratiocinated that laches is an equitable doctrine and its application is controlled by equitable considerations; it cannot be used to defeat justice or to perpetrate fraud and injustice.

The trial court did not also give credence to petitioners' assertion that they acquired the subject properties thru prescription or adverse possession, ratiocinating that the right to recover possession of land registered under the Torrens system does not prescribe. Besides, assuming that extraordinary prescription of 30 years is applicable in the case at bar, the trial court opined that the said 30-year period from October 28, 1968 has not yet elapsed when demands to return the property were assumed to be made in September 1998, the time when the alleged sale

transactions were discovered by the respondents. Petitioners mistakenly concluded that the respondents were estopped from challenging their possession and ownership based on a mere presumption of knowledge on the part of the latter. The accidental discovery of the documents of sale and corresponding titles in 1998 confirmed respondents' lack of knowledge of the transactions.

The dispositive portion of the RTC Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the [respondents] and against [petitioners]:

1. Declaring the Deed of Absolute Sale, Exh. "B", dated October 28, 1968 purportedly executed by Marta Valles and Simplicio Valles in favor of Rustico Valles, Melquiades Valles, Encarnacion Ordas and Adelaida Valles void ab initio and therefore non-existent;
2. Declaring the Subdivision Agreement dated October 29, 1968 Exh. "E" executed by and among Melquiades Valles, Rustico Valles, Adelaida Valles and Encarnacion Ordas, null and void and inexistent;
3. Deed of Absolute Sale of Realty, dated February 16, 1970, Exh. "J", executed by Melquiades Valles in favor of Roberto Araza married to Dolores Domingo and Encarnacion Ordas married to Jose Romero, covering Lot 835-B, null and void;
4. Declaring the Deed of Absolute Sale dated February 15, 1972 Exh. "L" executed by [Encarnacion Ordas and] Roberto Araza [married to Dolores De Domingo in favor of Soledad Manalo-Araza] married to Pedro Araza, covering Lot 835-B, as null and void;
5. Declaring the Deed of Absolute Sale, Exh. "N", executed by Pedro Araza and Soledad Manalo-Araza in favor of Joaquin Manguardia and Susana Manalo, dated November 27, 1980, covering Lots 835-B and 835-C, as null and void;
6. Declaring the Deed of Absolute Sale, Exh. "P", dated January 27, 1969, executed by Encarnacion Ordas in favor of Rustico Valles, covering Lot 835-C, void ab initio and inexistent;
7. Declaring the Deed of Absolute Sale, Exh. "R", dated March 19, 1970 executed by Rustico Valles and Petrona Bacarra in favor of Spouses Pedro Araza and Soledad Manalo-Araza covering Lots Nos. 835-C and 835-[D] as void ab initio and inexistent;
8. Declaring the Deed of Absolute Sale, Exh. "V", dated May 8, 1972, executed by Spouses Pedro Araza and Soledad Manalo-Araza in favor of Leonardo Araza and Soledad Arroyo null and void;
9. Declaring TCT Nos. 9409 issued in the names of Melquiades Valles married to Flora Zabal; Rustico Valles married to Pedrona Bacarra; Adelaida Valles and Encarnacion Ordas married to Jose Romero null and void;
10. Declaring TCT No. 9411 issued in the name of Adelaida Valles; TCT No. T-9412 issued in the name of Melquiades Valles; TCT No. T-9413 issued in the name of Encarnacion Ordas; TCT No. T-9414 issued in the name of Rustico Valles married to Pedrona Bacarra; TCT No. T-10255 issued in the names of Roberto Araza and Encarnacion Ordas; TCT No. T-11237 issued in the name of Soledad M. Araza married to Pedro Araza; TCT No. T-18953 issued in the name of Spouses Joaquin Manguardia and Susana Manalo; TCT No. T-9531 issued in the name of Rustico Valles married to Pedrona Bacarra; TCT No. T-10170 issued in the name of Pedro Araza and Soledad Araza; TCT No. T-18952 issued in the names of Spouses Joaquin Manguardia and Susana Manalo; TCT No. T-10169 issued in the names of Pedro Araza and Soledad Manalo and TCT No. T-11315 in the name of Leonardo Araza married to Rebecca Arroyo, null and void;
- [11.] Ordering the [petitioners] Heirs of Joaquin Manguardia and Susana Manalo to remove the buildings they constructed on the property, [to] vacate the premises and [to] surrender possession thereof to [respondents] Heirs of Simplicio Valles, represented by Graciano Valles, Sulpicio Valles and Teresita Valles[;]

[12.] Ordering the Register of Deeds of Capiz to cancel TCT No. T-9411, TCT No. T-18953, TCT No. T-18952 and TCT No. T-11315[;]

[13.] Ordering the [petitioners] Heirs of Joaquin Manguardia and Susana Manalo and Heirs of Leonardo Araza and Rebecca Arroyo to jointly and solidarily pay the [respondents]:

a) P30,000.00 as and for attorney's fees.

b) P10,000.00 as litigation expenses.

[14.] Dismissing all the counterclaims[;]

[15.] Dismissing the complaint as against the Register of Deeds of Capiz.

Costs against the [petitioners].

SO ORDERED.[45]

Ruling of the Court of Appeals

Petitioners appealed the trial court's Decision to the CA. They attributed error on the trial court for not considering their predecessors-in-interest as innocent purchasers for value and in good faith, and for not upholding their ownership and possession over the subject properties. They also questioned the trial court's ruling on the inapplicability of laches, prescription and estoppel as to bar the action filed by the respondents.

On June 22, 2006, the CA rendered its Decision[46] affirming in toto the trial court's Decision. Just like the RTC, the CA found that petitioners' predecessors-in-interest are not buyers in good faith and for value. The appellate court further held that petitioners cannot be considered to have acquired the subject properties through prescription since the whole lot is covered by a Torrens title under the name of Marta and Simplicio. They could not justify their ownership and possession of the lots acquired by their predecessors-in-interest, to wit:

Besides, [petitioners] cannot justify their ownership and possession of the subject parcels of land acquired by their predecessors-in-interest since the requisites provided in Article [1117] of the Civil Code regarding the requirement of good faith enunciated in the first paragraph of Article 526 of the Civil Code which states, thus: "He is deemed a possessor in good faith who is not aware that there exists in his title or mode of acquisition any flaw which invalidates it."

[have] not been met.

In the light of the above provision, [petitioners] could not claim that their predecessors have been possessors in good faith of the subject parcel of land in view of the finding that at the very inception the certificates of title obtained by their predecessors, which [petitioners] now assert to be the basis of their just title, originated from a forged Deed of Absolute Sale dated x x x October 28, 1968. Clearly, the forged deed containing the simulated signatures of Simplicio and Marta who were known to be both dead at the time of the execution of the said document is a nullity, and cannot serve as a just title.[47]

The CA did not likewise give merit to the defense put forth by petitioners that respondents' action is already barred by laches and prescription. Citing *St. Peter Memorial Park, Inc. v. Cleofas*[48] and *J.M. Tuason & Co., Inc. v. Aguirre*,[49] it held that a party who immediately filed a case upon discovery that his/her property was covered by a title in another's name is not guilty of laches. Moreover, an action to recover possession of a registered land never prescribes. The CA further found that respondents immediately took steps to assert their rights to the subject properties upon discovery of the various titles by demanding from petitioners that possession of the same be returned to them, and by subsequently filing an action for the nullification of the certificates of titles in question and recovery of possession of the property covered by the original title, OCT No. RO-4017.

The fallo of the CA Decision reads:

[WHEREFORE], the appeal of [petitioners] is DENIED for lack of merit. Accordingly, the assailed Decision of the Regional Trial Court of Roxas City, Branch 15, dated 19 December 2002 is AFFIRMED IN TOTO.

SO ORDERED.[50]

Petitioners filed a Motion for Reconsideration,[51] but the same was denied in a Resolution[52] dated March 27, 2007.

Issue

Hence, this Petition raising the sole issue of:

[WHETHER] THE HONORABLE COURT OF APPEALS TWENTIETH (20TH) DIVISION ERRED IN DENYING THE APPEAL OF [PETITIONERS] AND [IN] AFFIRMING THE ASSAILED DECISION OF THE COURT A QUO PETITIONERS HEREIN BEING BUYERS IN GOOD FAITH.[53]

Arguments of the Petitioners

Petitioners argue that the CA failed to appreciate material facts which, if properly considered, would warrant the reversal of the Decision of the court a quo. They posit that the failure of the lower courts to appreciate relevant facts resulted in the erroneous finding that they are not buyers in good faith and for value and this rendered their Torrens titles of no value and effect. Petitioners insist that they acquired the subject lots in good faith, for value, and by prescription or adverse possession; that their titles are valid and legal considering that they stemmed from a series of registered sales and titles from as early as 1968 when Lot 835 was first sold and subdivided into four lots; that respondents are guilty of laches for neglecting to assert their alleged rights within a reasonable period of time despite the fact that the documents of sale, subdivision agreement and various land titles are duly registered, and despite respondents' knowledge of petitioners' actual possession of the properties spanning a period of 30 years; and, that after the sale, they immediately took possession of the lots and exercised acts of dominion over the same without any opposition from any of the respondents.

In further defending their claim of good faith, petitioners assert that they are not required to go beyond what appears on the face of the Torrens title of the previous owner; otherwise, it would defeat the primary objective of the Torrens System.[54] Furthermore, their ownership which is rooted in good faith is independent of that of the previous owners' title.[55]

Arguments of the Respondents

Respondents, on the other hand, argue that only questions of law may be raised in an appeal by certiorari under Rule 45 of the Rules of Court. They contend that the lone issue raised by the petitioners dealt with the determination of whether petitioners' predecessors-in-interest were buyers in good faith, which is a factual issue generally outside the scope of the Supreme Court's power in a petition for review on certiorari. In any case, petitioners failed to prove that their predecessors-in-interest were buyers in good faith. Hence, there exists no apparent reason for this Court to review the lower courts' decisions.

Our Ruling

The Petition lacks merit.

The Court finds no reason to depart from the factual findings of the lower courts.

Time and again, this Court has reiterated that it is not a trier of facts. Well entrenched is the principle that factual findings of the trial court, when adopted and confirmed by the CA, are final and conclusive and may not be reviewed on appeal by this Court.[56] The Court's "role in a petition under Rule 45 is limited to reviewing or reversing errors of law allegedly committed by the appellate court." [57] This rule, however, is not without well defined exceptions. "Findings of fact of the trial court and the CA may be set aside when such findings are not supported by the evidence or where the lower courts' conclusions are based on a misapprehension of facts." [58] Considering the contention of petitioners that misinterpretation of facts was committed, this Court embarked on the task of reviewing the facts of this case.

After a painstaking review of the records, however, the Court finds no reason to reverse and set aside the factual findings of the trial court, as affirmed by the CA, since these factual findings are supported by and are based on preponderant evidence.[59]

Petitioners failed to discharge the burden
of proving that their predecessors-in-interest
were buyers in good faith.

Petitioners do not dispute that the original Deed of Absolute Sale is a forgery because the alleged vendors were already long dead when the questioned deed was executed. While their ownership rights are ultimately based upon this forged deed, petitioners assert that the good faith of their predecessors-in-interest validates their title over the lots.

The Court, however, disagrees. It must be noted that the relationships by consanguinity or affinity, between and among the vendors and vendees in the series of sales of the subject properties, were established by testimonial evidence. Again, these were not contradicted by petitioners. And as aptly concluded by the trial court, it can reasonably be assumed from these relations that the spouses Manguardia and Leonardo were not buyers in good faith, viz:

Are the Manguardias and Leonardo Araza third persons x x x who are innocent purchasers for value?

The general rule x x x that a person dealing with registered land has a right to rely on the Torrens Certificate of Title without need of inquiring further cannot apply when the party has actual knowledge of facts and circumstances that would impel a reasonably cautious man to make such inquiry or when the purchaser has knowledge of a defect or lack of title in his vendor or of sufficient facts to induce a reasonably prudent man to [inquire] into the status of the title of the property in litigation (*Voluntad vs. Dizon*, 313 SCRA 209). If circumstances exist that [require] a prudent man to investigate and he does not, he is deemed to have acted in mala fide, and his mere refusal to believe that a defect exists or his willful closing of his eyes to the possibility of the existence of a defect in his vendor's title will not make him an innocent purchaser for value (*Voluntad vs. Dizon*, supra).

Spouses Soledad Manalo and Pedro Araza purchased the properties in question from Roberto Araza, x x x [Visitacion] Valles Araza's son. The father of Roberto Araza, Panfilo Araza, was Pedro Araza's brother, making Pedro Araza the uncle of Roberto Araza. Encarnacion Ordas, one of the two [v]endors of the land in question to Pedro Araza and Soledad Manalo Araza, is Roberto Araza's cousin as the mother of Encarnacion Ordas and Roberto's mother, x x x [Visitacion] are sisters. Joaquin Manguardia, on the other hand, is the husband of Susana Manalo, niece of Soledad Manalo Araza, being the daughter of Jose Manalo, Soledad's brother.

Leonardo Araza, on the other hand is x x x [Visitacion] Valles-Araza's son, whose father, Panfilo Araza is brother of Pedro Araza, Soledad Araza's husband. x x x [Visitacion] is a sister of Simplicio Valles and Marta Valles, both of whom were dead when the Deed of Sale, exh. "B" was purportedly executed in 1968, selling

the property, Lot 835, to x x x [Visitacion's] brothers, Rustico and Melquiades, and [Visitacion's] nieces, namely: Encarnacion Ordas and Adelaida Valles.

The transfers of the properties in question did not go far, but [were] limited to close family relatives by affinity and consanguinity. Circuitous and convoluted [as they may be], and involving more than two families but belonging to a clan which, although living in different barangays, such barangays belong to the same city and [are] adjacent to each other. Good faith among the parties to the series of conveyances is therefore hard if not impossible to presume.[60]

Unfortunately for the petitioners, they did not provide any sufficient evidence that would convince the courts that the proximity of relationships between/among the vendors and vendees in the questioned sales was not used to perpetrate fraud. Thus there is nothing to dispel the notion that apparent anomalies attended the transactions among close relations. Glaringly emphasized were the established facts that the parties to the alleged original sale in 1968, and the witnesses thereto were close relatives (siblings, children and nephew of Marta and Simplicio). Similarly, the vendors and vendees in subsequent sale transactions were either the co-vendees themselves in the original sale, first cousins, and close relatives by consanguinity and affinity. In addition, these transactions between close relatives happened at a time when everybody knew everyone, in a place where vendees lived in close proximity to the vendors, and to the disputed properties.

This is not to say however, that a sale between close relatives is automatically anomalous. It is just that in this particular case, the circumstances strongly show that fraud was committed by relatives against relatives and the evidence adduced by petitioners was insufficient to remove the cloud of doubt pertaining to the good faith of their predecessors-in-interest in acquiring the properties in question.

It must be emphasized that “the burden of proving the status of a purchaser in good faith and for value lies upon him who asserts that standing. In discharging the burden, it is not enough to invoke the ordinary presumption of good faith that everyone is presumed to act in good faith. The good faith that is here essential is integral with the very status that must be proved. x x x Petitioners have failed to discharge that burden.”[61]

Acquisitive prescription is not applicable in the case at bar.

Petitioners' contention of acquisitive prescription cannot prevail over the rights of respondents. To begin with, the disputed property is a duly registered land under the Torrens system. “It is well-settled that no title to registered land in derogation of that of the registered owner shall be acquired by prescription or adverse possession. Neither can prescription be allowed against the hereditary successors of the registered owner, because they merely step into the shoes of the decedent and are merely the continuation of the personality of their predecessor[-]in[-]interest. Consequently, since a certificate of registration covers it, the disputed land cannot be acquired by prescription regardless of petitioner's good faith.”[62]

Laches cannot be used to perpetrate injustice.

On the claim of laches, this Court reiterates that “[l]aches is based upon equity and the public policy of discouraging stale claims. Since laches is an equitable doctrine, its application is controlled by equitable considerations. It cannot be used to defeat justice or to [perpetrate] fraud and injustice. Thus, the assertion of laches to thwart the claim of respondents is foreclosed because the [d]eed upon which [petitioners base their] claim is[, first and foremost,] a forgery.”[63]

All told, the Court finds the trial court's disquisition, as affirmed by the CA, in order.

WHEREFORE, the Petition is DENIED. The June 22, 2006 Decision and March 27, 2007 Resolution of the Court of Appeals in CA-G.R. CV No. 78302 are hereby AFFIRMED.

SO ORDERED.

Carpio, (Chairperson), Bersamin,**] Mendoza, and Leonen, JJ., concur.

[*] Also referred to as Magdalena Araza in some parts of the records.

[**] Per Special Order No. 1753 dated August 18, 2014.

[1] Spouses Uy v. Court of Appeals, 411 Phil. 788, 801 (2001).

[2] Rollo, pp. 3-19.

[3] CA rollo, pp. 151-165; penned by Associate Justice Pampio A. Abarintos and concurred in by Associate Justices Marlene Gonzales-Sison and Priscilla Baltazar-Padilla.

[4] Records, pp. 355-411; penned by Judge Juliana C. Azarraga.

[5] CA rollo, pp. 197-198; penned by Associate Justice Pampio A. Abarintos and concurred in by Associate Justices Isaias P. Dicdican and Priscilla Baltazar-Padilla.

[6] Id. at 168-182.

[7] Folder of Exhibits for the Plaintiffs-Appellees, p. 1.

[8] Also spelled as Villariza and Villariz in some parts of the records.

[9] Also referred to as Visitacion in some parts of the records.

[10] Folder of Exhibits for the Plaintiffs-Appellees, p. 2-3.

[11] Id. at 6.

[12] Id. at 7.

[13] Id. at 8.

[14] Id. at 9.

[15] Id. at 10.

[16] Id. at 11.

[17] Graciano is the son of Adelaida's brother, Felicisimo Valles.

[18] Roberto Araza is the son of Visitacion Valles.

[19] Folder of Exhibits for the Plaintiffs-Appellees, pp. 12-13.

[20] Id. at 14; Folder of Exhibits for the Defendants-Appellants, p. 23.

[21] Id. at 15-16.

[22] Id. at 17; Folder of Exhibits for the Defendants-Appellants, p. 19.

[23] Id. at 18; id. at 2.

[24] Id. at 19; id. at 4.

[25] Deed of Absolute Sale of Lot No. 835-C with Transfer Certificate of Title No. T-9413, id. at 20.

[26] Folder of Exhibits for the Plaintiffs-Appellees, p. 21; Folder of Exhibits for the Defendants-Appellants, p. 25.

[27] Pedro Araza is the brother-in-law of Rustico's sister, Visitacion Valles, and the uncle of Roberto Araza (from whom Soledad and Pedro purchased Lot 835-B).

[28] Folder of Exhibits for the Plaintiffs-Appellees, pp. 22-23, Folder of Exhibits for the Defendants-Appellants, pp. 82-83.

[29] Id. at 24-25; id. at 20.

[30] Supra note 23.

[31] Folder of Exhibits for the Plaintiffs-Appellees, p. 28.

[32] Supra note 28.

[33] TCT No. 10169, Folder of Exhibits for the Plaintiffs-Appellees, p. 27.

[34] Id. at 28-29; Folder of Exhibits for the Defendants-Appellants, pp. 67-68.

[35] Leonardo Araza is the brother of Roberto Araza, and son of Visitacion Valles.

[36] Folder of Exhibits for the Plaintiffs-Appellees, p. 30; Folder of Exhibits for the Defendants-Appellants, p. 69.

[37] Records, pp. 1-15; an Amended Complaint was filed on June 22, 2000 to implead Enecita Araza-Vargas and her heirs as respondents, id. at pp. 124-138.

[38] Id. at 58-66.

[39] Namely, Danilo Manguardia; Alma Manguardia; Gemma Manguardia; Roderick Manguardia; Madeline Manguardia-Villarante; Alan Manguardia; Rose Manguardia-Adrid; Ronald Manguardia; Joebert Manguardia; and, Randy Manguardia, id. at 125-126.

[40] Namely, Magdalena Araza-Villanueva; Nenita Araza-Bade; Antonio Araza; and, the children of Enecita Araza-Vargas, namely: Gadfry Vargas, Gina Vargas, Joel Vargas, Mary Grace Vargas, Anamae Vargas and Junar Vargas, id. at 126.

[41] Id. at 70-80.

[42] Id. at 178-187.

[43] Id. at 195.

[44] Id. at 355-411.

[45] Id. at 408-411.

[46] CA rollo, pp. 151-165.

[47] Id. at 162.

[48] 206 Phil. 224 (1983).

[49] 117 Phil. 110 (1963).

[50] CA rollo, p. 165.

[51] Id. at 168-182.

[52] Id. at 197-198.

[53] Rollo, p. 8.

[54] Id. at 241-245.

[55] Id. at 244.

[56] Domingo v. Robles, 493 Phil. 916, 920 (2005); Chua v. People, 519 Phil. 151, 156 (2006).

[57] Ceballos v. Intestate Estate of the Late Emigdio Mercado, G.R. No. 155856, May 28, 2004, 430 SCRA 323, 331.

[58] China Banking Corporation v. QBRO Fishing Enterprises, Inc., G.R. No. 184556, February 22, 2012, 666 SCRA 599, 605.

[59] Materrco, Inc. v. First Landlink Asia Development Corporation, G.R. No. 175687, November 28, 2007, 539 SCRA 226, 242.

[60] Records, pp. 385-386.

[61] Spouses Uy v. Court of Appeals, *supra* note 1.

[62] Alcantara-Daus v. Spouses De Leon, 452 Phil. 92, 102 (2003).

[63] Id. at 103.

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.