

HEIRS OF CIRIACO BAYOG-ANG, NAMELY: CELERINO VALLE AND PRIMITIVO VALLE, PETITIONERS, VS. FLORENCE QUINONES, JOINTLY WITH HER HUSBAND, JEREMIAS DONASCO, AS SUBSTITUTED BY THEIR S...

G.R. No. 205680. November 21, 2018

Ponente: TIJAM, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-205680/>

TIJAM, J.:

This present case involves the conflicting claims over a parcel of land between a buyer who claims title by virtue of a deed of sale executed in her favor by the original owner of the land, but never had it titled in her name, and the heirs of the vendor who adjudicated unto themselves the same land and had it titled in their names as part of the extrajudicial settlement of their grandfather's estate.

For resolution by the Court is a Petition for Review on Certiorari under Rule 45 of the Rules of Court, assailing the Decision[1] dated February 8, 2012 of the Court of Appeals (CA)-Cagayan De Oro City, in CA-G.R. CV No. 00782-MIN, entitled Florence Quinones, jointly with her husband, Jeremias T. Donasco v. Heirs of Ciriaco Bayog-Ang, namely, Celerino Valle and Primitivo Valle, and Register of Land Titles and Deeds for the Province of Cotabato. The said Decision of the CA reversed and set aside the Judgment[2] dated February 27, 2006 of the Regional Trial Court (RTC), Branch 18, of Midsayap, Cotabato which dismissed Civil Case No. 98-014 for Specific Performance with Damages.

The Factual Antecedents

In 1998, an action for Specific Performance and Damages was filed by Florence Quinones (Florence), together with her husband Jeremias Donasco (respondents), before the RTC of Midsayap Cotabato against the heirs of Bayog-Ang (petitioners). The subject of this dispute is a 10,848 square-meter parcel of land which is part of the property previously owned by Ciriaco Bayog-Ang (Bayog-Ang), located at Barrio Sadaan, Municipality of Midsayap, Province of North Cotabato covered by Original Certificate of Title (OCT) No. RP-1078 (1596) (subject land). Respondents claimed that the said parcel of land was sold to her by Bayog-Ang as evidenced by a Deed of Absolute Sale dated February 25, 1964, and she demanded from the petitioners that the said portion be segregated and transferred but the same went unheeded. Worse, the petitioners, through alleged malicious manipulation, executed an Extrajudicial Settlement of Estate in 1996 adjudicating the land in their favor, and as a result of which, OCT No. RP-1078 (1596) was canceled and Transfer Certificate of Title No. T-91543 was issued on April 3, 1997 under their names.[3] Respondents prayed for the nullification of the Deed of Extra-Judicial Settlement and for the segregation of the parcel of land which they bought from Bayog-Ang, and asked for moral damages, attorney's fees and litigation expenses.[4]

Petitioners, in their Answer, denied any knowledge of the deed of sale executed by Bayog-Ang in favor of Florence nor of the latter's claim over the land. They also claimed that before the execution of the extra-judicial settlement, they went to the Register of Deeds to verify the status of the land and found nothing was annotated on

the certificate of title. By way of affirmative defenses, they claimed that the respondents' action was barred by prescription and laches, and that respondents were never in possession of the subject lot. They averred that the action was one based on written contract which prescribed in 10 years reckoned from the execution of the Deed of Absolute Sale in 1964, and the complaint, filed only in 1998,[5] is thus belatedly filed.

In the proceedings before the RTC, Florence testified that she purchased a parcel of land from Bayog-Ang which was paid for by her father Pedro Quinones (Pedro). As a result, a Deed of Absolute Sale was executed on February 25, 1964 and notarized before a certain Atty. Cambronero. Furthermore, the pertinent documents (including the certificate of title and tax declaration) were given by Bayog-Ang to Pedro who in turn gave them to Atty. Domingo for purposes of transferring title to her name. It was only in 1980 when Atty. Domingo returned the papers to her that she learned that the papers to the land were not processed.[6]

Florence also presented Antonio Gasparillo, a resident of BPH, Sadaan, Midsayap, Cotabato, who testified that he was staying on the land owned by Florence, which was formerly owned by Bayog-Ang. He further testified that after Pedro bought the land, he allowed him to enter and work there as a tenant from 1964 until 1995, when he stopped tilling the land because of sickness. After Pedro's death, Gasparillo remitted Pedro's share in the produce of the land to the latter's children.[7]

Petitioners did not present evidence, and instead asked the court for leave to file a demurrer to evidence, which the RTC granted.[8]

The Ruling of the RTC

As earlier mentioned, the RTC of Midsayap, Cotabato, Branch 18, rendered judgment dismissing Civil Case No. 98-014. The dispositive portion of its Judgment dated February 27, 2006 reads:

WHEREFORE, in light of all the foregoing, the court hereby renders judgment in favor of the defendants and against the plaintiffs:

- Ordering the dismissal of the complaint;
- Declaring the defendants as the true owners of the land; being owners, they are entitled to possession. Thus, the plaintiffs are hereby directed to turn over peacefully possession of the land to the defendants;
- No pronouncement on damages.
- No costs.

IT IS SO DECIDED.[9]

In ruling in favor of the petitioners, the RTC applied the rule on double sales under Article 1544 of the Civil Code and concluded that since petitioners were the first to register the land in good faith, they have a superior right over the subject land, to wit:

This action is for specific performance and was also ruled upon earlier by the court as similar to reconveyance. The plaintiffs demand that the deed of extra-judicial settlement executed by the defendants [sic] and that they segregated [sic] that portion of land sold to them by the late Ciriaco Bayog-Ang.

The existence and due execution of the deed of absolute sale executed by Ciriaco Bayog-Ang in favor of Florence Quiñones Donasco is not disputed. This is made the basis in the claim of the plaintiffs of ownership of the subject land. It is noted, however, that at the time the plaintiffs laid claim to the land, the same has already been registered, titled in the names of the defendants.

Presidential Decree No. 1529, otherwise known as the Property Registration Decree provides as follows:

Section 51. - x x x The act of registration shall be [sic] operative act to convey or effect [sic] the land in so far [sic] as third persons are concerned, and in all cases under this Decree, the registration shall be made in the office of the Register of Deeds for the province and the city where the land lies.

The Deed of Absolute Sale was executed on February 25, 1964. On the other hand, the deed of extra-judicial settlement of estate was executed in 1996, and on April 3, 1997, Transfer Certificate of Title No. T-91543 was issued to defendants.

The whole evidence is bereft of any showing of fraud on the part of the defendants in adjudicating unto themselves the land subject matter of this case. As heirs of their grandfather Ciriaco Bayog-ang they had a perfect right to do so. There is no evidence to show that they were aware at any time previous to the execution of the deed of extra-judicial settlement. It must be so because there was no entry or annotation of whatever nature that a portion of the land covered by OCT No. RP-1078 (1596) has been sold by their grandfather to any person or entity.

Sec. 52. Constructive notice upon registration. Every conveyance, mortgage, lease, lien, attachment, order, judgment, instrument or entry affecting registered land shall, if registered, filed or entered in the office of the Register of Deeds for the province or city where the land to which it relates lies, be constructive notice to all persons from the time of such registering, filing or entering.

Moreover, the defendants were not privy to the execution of the document of sale by Ciriaco Bayog-ang in favor of the plaintiff Florence Quinones (now Donasco). There is no showing that they were [sic] of such document. Had the instrument been registered with the office of the Register of Deeds, they would be deemed to have constructive notice of such sale.

In the final reckoning, suffice it to say that the plaintiff slept on their rights for such period of time that they have lost their right to re-acquire it and claim it as their own.

The broad principal on the effects of registration are found on our own Civil Code, thus:

Art. 1544. If the same thing should have been sold to different vendees, the ownership shall be transferred to the person who may have first taken possession thereof in good faith, if it should be movable property.

Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith first recorded it in the Registry of Property.

Should there be no inscription, the ownership shall pertain to the person who in good faith was first in the possession; and, in the absence thereof, to the person who presents the oldest title, provided there is good faith. (1473)

By analogy, the first sale or conveyance was the one executed by Bayog-ang in favor of Florence Quinones Donasco in 1964. The execution of the deed of extra-judicial settlement by the defendant could be considered as the second conveyance or sale although they contend that they acquired the property ads [sic] their inheritance. In any event, the application of the sale on registration with the Register of Deeds is the same. A noted authority in Civil Law, writes as follows:

If the property sold is immovable, the ownership shall belong to:

(a) The vendee who first registers the sale in good faith in the Registry of Property (Registry of Deeds) has a preferred right over another vendee who has not registered his title even if the latter is in actual possession of the immovable property. More credit is given to registration than to actual possession (Paylago v. Jarabe, 22 SCRA 1247; Beatriz v. Cedeña, 4 ascrs 616 [sic]; Carbonell v. CA, 69 SCRA 99; Barretto v. Arevalo, 99 Phil. 771; Nuguid v. CA, 171 SCRA 213; Tañedo v. CA, 252 SCRA 80; Balatbat v. CA, 261 SCRA 128). But mere

registration is not enough; good faith must concur with the registration. To be entitled to priority, the second purchaser must have also acted in good faith, without knowledge of the previous alienation by the vendor to another. (*Bautista v. CA*, 230 SCRA 446). This rule applies to the annotation of an adverse claim in double sales. (*Bucad v. CA*, 216 SCRA 423)

Article 1544 has no applicable [sic] to lands not registered with the Torrens system." (*De Leon, Comments and Cases on Sales*, p. 274, 2000 Edition).

As earlier stated in this judgment the plaintiffs never bothered to go to the Registry of Deeds and have their document registered, that is to say to have the same annotated at least at the back of O.C.T. No. RP-1078 (1596), a constructive[sic] to the whole world that the property is theirs.

x x x[10]

Aggrieved by the RTC's judgment, the respondents appealed before the CA and raised the following errors: (1) the trial court erred in holding that their cause of action had prescribed; and (2) the trial court erred in ordering them to turn over the possession of the property to the petitioners.[11]

The Ruling of the CA

In ruling in the respondents' favor, the appellate court held the RTC already denied the petitioners' affirmative defense of prescription in an Order dated March 15, 1999.[12] It also held that laches had not set in as to bar respondents from asserting their claim of ownership since they were able to present evidence that they exercised acts of dominion over the subject lot, as they in fact installed a tenant, without resistance from the petitioners, and were able to effect the transfer of the tax declaration in their name in 1984. The CA also found that petitioners recognized that respondents laid claim over the subject land. Furthermore, respondents promptly filed their complaint within a year from the issuance of TCT No. T-91543.[13]

Also, the CA held that since respondents were able to prove that Bayog-Ang sold to them the subject land during his lifetime, his heirs cannot include the same in their partition as Bayog-Ang no longer owned it.[14] The fact that they were able to cause the issuance of TCT No. T-91543 which canceled OCT No. RP-1078 (1596) does not necessarily mean that they are the owners of the lot in question, as registration is not a mode of acquiring ownership.[15] As a result, the CA declared the Deed of Extrajudicial Settlement of Bayog-Ang estate invalid as to the 10,848 square-meter lot subject of the Deed of Absolute Sale between Bayog-Ang and Florence. The dispositive portion of the CA Decision reads:

WHEREFORE, the Appeal is GRANTED. The Judgment dated February 27, 2006 of the Regional Trial Court, Branch 18 of Midsayap, Cotabato in Civil Case No. 98-014 for Specific Performance with Damages is hereby REVERSED and SET ASIDE.

The Deed of Extra Judicial Settlement of Estate of Ciriaco Bayog-Ang and Antipas Rongco executed on August 30, 1996 is hereby declared invalid in so far as the 10,848 square-meter land which is subject of the Deed of Absolute Sale executed by Ciriaco Bayog-Ang in favor to Florence Quinones as specifically described herein.

Defendant-appellees Heirs of Ciriaco Bayog-Ang are ORDERED to present the owner's duplicate copy of Transfer Certificate of Title No. T-91543 to the Register of Deed of Kidapawan, Province of Cotabato who is ORDERED to cause the annotation of the Deed of Absolute Sale executed by the late Ciriaco Bayog-Ang on February 25, 1964 conveying the 10,848 square-meter portion of the property covered under this title.

Likewise, the parties and counsels are ORDERED to cause the subdivision survey of the 10,848 square meter lot which defendants-appellees shall convey to plaintiffs-appellants Florence Quinones, married to Jeremias T.

Donasco at the latter's expense.

SO ORDERED.[16]

Petitioners sought reconsideration of the CA Decision but the same was denied in a Resolution[17] dated December 20, 2012.

Hence, the present Petition for Review on Certiorari.

Petitioners raise the following issues for this Court's consideration:

- WAS THE HONORABLE TWENTY-SECOND DIVISION, COURT OF APPEALS, CAGAYAN DE ORO CITY JUSTIFIED IN REVERSING THE FINDINGS OF FACTS OF THE REGIONAL TRIAL COURT WHO HEARD AND ACTUALLY SAW THE Demeanor OF WITNESSES.
- WILL THE FINDINGS OF FACTS BY TWENTY-SECOND DIVISION, COURT OF APPEALS, CAGAYAN DE ORO CITY, PREVAIL OVER THE FINDINGS OF FACTS OF THE REGIONAL TRIAL COURT.
- WAS THE HONORABLE TWENTY-SECOND DIVISION, COURT OF APPEALS, CAGAYAN DE ORO CITY, CORRECT IN ITS FINDINGS THAT PRESCRIPTION DID NOT LIE IN THE FILING OF THE COMPLAINT.
- IS THE REGIONAL TRIAL COURT BOUND TO ITS RULING THAT THERE WAS NO PRESCRIPTION OR LACHES AS THE SAME WAS EVIDENTIARY DURING THE PRELIMINARY HEARING OF THE AFFIRMATIVE DEFENSE, SO IT IS PRECLUDED FROM RULING THE PRESENCE OF THE SAME AFTER EVIDENCE HAVE BEEN INTRODUCED IN A FULL BLOWN TRIAL.[18]

In their Comment,[19] respondents contended that the CA correctly upheld the validity of the Deed of Absolute Sale between Bayog-Ang and Florence. Having been conveyed by Bayog-Ang to Florence during his lifetime, the subject lot no longer forms part of Bayog-Ang's estate which his heirs can partition among themselves.[20]

During the pendency of the case, Florence died on July 17, 2011 while Jeremias Donasco died on February 13, 2005. In a Motion For The Substitution Of Party-Respondents dated August 10, 2016,[21] the respondents' surviving children, namely Jeany Flor Q. Donasco, Royce Q. Donasco, and Wilmer Q. Donasco, moved for their inclusion as respondents in the instant case in substitution of their deceased parents.[22] The Court granted the Motion in its Resolution dated September 28, 2016.[23]

In a Resolution dated April 5, 2017,[24] this Court required the petitioners to submit their Reply to the respondents' Comment, but records show that petitioners have not complied with the said directive up to the present time.

The Ruling of the Court

We deny the petition for lack of merit.

To recapitulate, what is established from the records of the case is while respondents are claiming ownership over the subject land by virtue of the sale between Florence and Bayog-Ang evidenced by the February 25, 1964 Deed of Absolute Sale, the petitioners are claiming the same as part of Bayog-Ang's estate which they acquired through succession as heirs of Bayog-Ang. Furthermore, the respondents instituted the present action before the RTC after the issuance of TCT No. T-91543 in the name of petitioners as a result of the execution of the Deed of Extra Judicial Settlement of Estate of Ciriaco Bayog-Ang and Antipas Rongco, which included the subject land as among the properties adjudicated by the petitioners among themselves.

In sum, petitioners argue before this Court that the CA erred in ruling that respondents' claim over the subject land has not yet prescribed nor is barred by laches. They maintain that the RTC's finding that the Complaint is barred by prescription and laches should govern and should be binding upon the CA, citing the well-familiar rule that the assessment of the witnesses' credibility and their testimonies is a matter best undertaken by the trial court.[25] In particular, petitioners emphasized the portion of the RTC judgment which states that "[i]n the final reckoning, suffice it to say that the plaintiff slept on their rights for such period of time that they have lost their right to re-acquire it and claim [it] as their own." [26]

This Court finds no merit to this contention. The quoted portion from the RTC Judgment must be understood in the context of how the RTC justified its dismissal of the complaint on the basis of Article 1544 of the New Civil Code. As earlier mentioned, the RTC dismissed the complaint since respondents were not able to have the subject lot registered in their names under the Torrens System and it was the petitioners who were able to have it first registered in good faith, and such being the case, they have the preferred right over the subject lot. In other words, the RTC made such statement in the context of the respondents' failure to have the Deed of Absolute Sale annotated on OCT No. RP-1078 (1596) or to have a TCT issued in their names. As will be discussed, it was even erroneous for the RTC to apply Article 1544 in the present case.

Article 1544 of the New Civil Code
does not apply in the present case

Article 1544 of the New Civil Code provides:

Art. 1544. If the same thing should have been sold to different vendees, the ownership shall be transferred to the person who may have first taken possession thereof in good faith, if it should be movable property.

Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith first recorded it in the Registry of Property.

Should there be no inscription, the ownership shall pertain to the person who in good faith was first in the possession; and, in the absence thereof, to the person who presents the oldest title, provided there is good faith. (1473)

For Article 1544 to apply, it is required that the same thing must have been sold to different vendees. It contemplates a case of double or multiple sales by a single vendor. More specifically, it covers a situation where a single vendor sold one and the same immovable property to two or more buyers.[27] What is undisputed from the facts of this case is that while respondents anchor their claim on the subject lot through the Deed of Absolute Sale executed between Bayog-Ang and Florence, petitioners claim the same as part of their inheritance as heirs of Bayog-Ang. Thus, there is no double sale in the present case because the "second transaction," as the RTC would describe it, is not a sale. Therefore, the proper question that should have been addressed was whether Florence was able to prove by preponderance of evidence that she already acquired ownership of the subject lot from Bayog-Ang, as this will determine whether the subject lot remained part of Bayog-Ang's estate which passed to his heirs by succession at the moment of his death.[28]

Under Article 712 of the Civil Code, tradition as a consequence of contracts and succession are modes of acquiring or transferring ownership, to wit:

Art. 712. Ownership is acquired by occupation and by intellectual creation.

Ownership and other real rights over property are acquired and transmitted by law, by donation, by testate and intestate succession, and in consequence of certain contracts, by tradition.

They may also be acquired by means of prescription. (609a)

Succession is a mode of acquisition by virtue of which the property, rights and obligations to the extent of the value of the inheritance, of a person are transmitted through his death to another or others either by his will or by operation of law.[29] The inheritance includes all the property, rights and obligations of a person which are not extinguished by his death.[30] These provisions emphasize that what is passed by a decedent to his heirs by succession are those which he owned at the time of his death. It follows then that his heirs cannot inherit from him what he does not own anymore.

Under the law on sales, Article 1496 of the New Civil Code provides that "the ownership of the thing sold is acquired by the vendee from the moment it is delivered to him in any of the ways specified in Articles 1497 to 1501, or in any other manner signifying an agreement that the possession is transferred from the vendor to the vendee." In particular, Article 1497 provides that "the thing sold shall be understood as delivered, when it is placed in the control and possession of the vendee," while Article 1498 states that "when the sale is made through a public instrument, the execution thereof shall be equivalent to the delivery of the thing which is the object of the contract, if from the deed the contrary does not appear or cannot clearly be inferred."

In the present case, what is fairly established is that the Deed of Absolute Sale is a notarized document. The RTC, in its Judgment dated February 27, 2006, stated that during the proceedings, Florence testified that the Deed of Absolute Sale was "drafted and ratified" before Atty. Cambronero at Midsayap, Cotabato. On the part of the petitioners, they asserted, both in their Demurrer to Evidence[31] before the RTC and in the present petition,[32] that Florence's testimony is not sufficient to prove the due execution of the instrument, and respondents should have presented Atty. Cambronero, the notary public before whom the Deed was acknowledged, or any of the witnesses to the execution of the same, but failed to do so. Additionally, the CA held that the Deed of Absolute Sale evidencing the conveyance enjoyed the presumption of validity,[33] it having been duly notarized. Being a notarized document, the Deed of Absolute Sale is a public document. This is expressly provided in Section 19 of Rule 132 of the Rules of Court, as follows:

Section 19. Classes of Documents. — For the purpose of their presentation evidence, documents are either public or private.

Public documents are:

- (a) The written official acts, or records of the official acts of the sovereign authority, official bodies and tribunals, and public officers, whether of the Philippines, or of a foreign country;
- (b) Documents acknowledged before a notary public except last wills and testaments; and
- (c) Public records, kept in the Philippines, of private documents required by law to be entered therein.

All other writings are private.

In *Spouses Santos v. Spouses Lumbao*,[34] it was held:

It is well-settled that a document acknowledged before a notary public is a public document that enjoys the presumption of regularity. It is a prima facie evidence of the truth of the facts stated therein and a conclusive presumption of its existence and due execution. To overcome this presumption, there must be presented evidence that is clear and convincing. Absent such evidence, the presumption must be upheld.[35]

We find that petitioners were unable to present evidence sufficient to overcome the presumption in favor of the Deed of Absolute Sale. As earlier mentioned, their issue with regard to the due execution of the instrument was that Atty. Cambronero was not presented to testify as to the due execution of the Deed. This argument deserves scant consideration because the Deed of Absolute Sale, being a public document, requires no other proof of its authenticity[36] and deserves full faith and credit upon its face.[37] Section 30 of Rule 132 of the Rules of Court provides that "every instrument duly acknowledged or proved and certified as provided by law, may be presented in evidence without further proof, the certificate of acknowledgment being prima facie evidence of the execution

of the instrument or document involved." Based on the records of this case, while the RTC ruled against the respondents because they were not the first to have registered the subject lot in good faith, it nonetheless ruled that the existence and due execution of the Deed of Sale is not disputed. We quote once again the relevant portion of the RTC judgment, to wit:

x x x x

This action is for specific performance and was also ruled upon earlier by the court as similar to reconveyance. The plaintiffs demand that the deed of extra-judicial settlement executed by the defendants [sic] and that they segregated [sic] that portion of land sold to them by the late Ciriaco Bayog-Ang.

The existence and due execution of the deed of absolute sale executed by Ciriaco Bayog-ang in favor of Florence Quiñones Donasco is not disputed. This is made the basis in the claim of the plaintiffs of ownership of the subject land. It is noted, however, that at the time the plaintiffs laid claim to the land, the same has already been registered, titled in the names of the defendants.

x x x x[38] (Emphasis Ours)

Thus, in accordance with Article 1498, the sale of the subject land through the Deed of Absolute Sale dated February 25, 1964, which is a public instrument, transferred ownership from Bayog-Ang to Florence, there being no indication of any intention to the contrary.

The action is not barred by
prescription or laches

As a result of this Court's pronouncement that respondents have already acquired ownership of the subject land, We also rule that the respondents' complaint has not prescribed nor were they guilty of laches. While respondents' action was denominated as one for Specific Performance and Damages, the RTC considered the same as one for quieting of title which does not prescribe, and consequently ruled to deny the affirmative defense of prescription in its Order dated March 15, 1999.[39] The CA has not disturbed this particular conclusion and We agree with the lower courts on this point. At the level of the CA, the appellate court found that respondents exercised acts of dominion over the subject lot, as they in fact installed a tenant (Gasparillo) and were able to effect the transfer of the tax declaration in their names in 1984.[40] We find no compelling reason to disturb the factual findings of the CA, as the "[t]he jurisdiction of the Court in cases brought before it from the appellate court is limited to reviewing errors of law, and findings of fact of the Court of Appeals are conclusive upon the Court since it is not the Court's function to analyze and weigh the evidence all over again." [41]

In *Sapto, et al. v. Fabiana*, [42] this Court, speaking through Justice J.B.L. Reyes, held that an action to quiet title where the plaintiff under claim of ownership, is in actual possession of the land, does not prescribe, citing American Jurisprudence, to wit:

The prevailing rule is that the right of a plaintiff to have his title to land quieted, as against one who is asserting some adverse claim or lien thereon, is not barred while the plaintiff or his grantors remain in actual possession of the land, claiming to be owners thereof, the reason for this rule being that while the owner in fee continues liable to an action, proceeding, or suit upon the adverse claim, he has a continuing right to the aid of a court of equity to ascertain and determine the nature of such claim and its effect on his title, or to assert any superior equity in his favor. He may wait until his possession is disturbed or his title is attacked before taking steps to vindicate his right. But the rule that the statute of limitations is not available as a defense to an action to remove a cloud from title can only be invoked by a complaint when he is in possession. One who claims property which is in the possession of another must, it seems, invoke his remedy within the statutory period.[43] (Citations omitted)

In the present case, respondents are in possession of the subject land under claim of ownership. This Court holds the view that their action, being one for quieting of title, was not barred by prescription when it was filed in 1998. This is because their cause of action to quiet title only accrued in 1997 when their possession was deemed to have been disturbed by the issuance of TCT No. T-91543 over the subject land in petitioners' names.

Similarly, We also find that respondents were not guilty of laches so as to bar them from asserting their claim over the subject land. In *Go Chi Gun v. Co Cho*,^[44] this Court enumerated the elements for the ground of laches to bar an action as follows:

(1) conduct on the part of the defendant, or of one under whom 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.^[45]

We find that the following elements are not present in the case at bar. As already mentioned, there was no delay on the part of the respondents in instituting the present action, since they were in possession of the same under claim of ownership, and the action being one for quieting of title did not prescribe and was properly filed when their possession was deemed to have been disturbed by the issuance of TCT No. T-91543. Furthermore, as the CA found, petitioners were aware of the respondents' claim over the subject land,^[46] and there was no resistance on their part when the respondents installed Gasparillo as their tenant on the subject land.^[47]

Moreover, on the issues that the respondents were not able to have the Deed of Absolute Sale annotated on OCT No. RP-1078 (1596) or to have a TCT issued in their name and that the petitioners were able to have the subject land registered in their names are of no moment. As correctly held by the CA, registration is not a mode of acquiring ownership, but only a means of confirming the fact of its existence with notice to the world at large.^[48] The petitioners cannot be prejudiced if respondents will be accorded relief since they cannot become the owners of the subject land by virtue of succession if in the first place, Bayog-Ang already sold the same to Florence during his lifetime.

Furthermore, it has been held that "the purpose of registration is merely to notify and protect the interests of strangers to a given transaction, who may be ignorant thereof, and the non-registration of the deed evidencing said transaction does not relieve the parties thereto of their obligations thereunder."^[49] In this case, the petitioners cannot be held to be third persons to the contract between their grandfather and Florence, for as heirs, they were bound by the same. Article 1311 of the New Civil Code provides that "contracts take effect only between the parties, their assigns and heirs, except in case where the rights and obligations arising from the contract are not transmissible by their nature, or by stipulation or by provision of law." The general rule is that heirs are bound by contracts entered into by their predecessors-in-interest except when the rights and obligations arising therefrom are not transmissible by (1) their nature, (2) stipulation or (3) provision of law.^[50] In the present case, it is not alleged nor proved that the sale between Bayog-Ang and Florence falls within any of the exceptions provided under the aforementioned provision of law.

IN VIEW OF ALL THE FOREGOING, the petition for review on Certiorari is DENIED for lack of merit. The Decision dated February 8, 2012 of the Court of Appeals (CA)-Cagayan De Oro City is hereby AFFIRMED.

SO ORDERED.

Bersamin.,[*] (Acting Chairperson), Del Castillo, Jardeleza, and Gesmundo,[**] JJ., concur.

[*] Designated Acting Chairperson per Special Order No. 2606 dated October 10, 2018.

[**] Designated Additional Member per Special Order No. 2607 dated October 10, 2018.

[1] Penned by Associate Justice Carmelita Salandanan-Manahan, with Associate Justices Edgardo A. Camello and Pedro B. Corales concurring, id. at 22-34.

[2] Penned by Acting Judge Francisco G. Rabang, Jr., id. at 43-49.

[3] Id. at 43-44.

[4] Id.

[5] Id. at 44-45.

[6] Id. at 45.

[7] Id. at 45-46.

[8] Id. at 46.

[9] Id. at 48-49.

[10] Id. at 46-48.

[11] Id. at 28.

[12] Id.

[13] Id. at 29-31.

[14] Id. at 31-32.

[15] Id. at 33.

[16] Id. at 33-34.

[17] Id. at 36-37.

[18] Id. at 10-11.

[19] Id. at 68-72.

[20] Id. at 71 72.

[21] Id. at 90-92.

[22] Id. at 90-92.

[23] Id. at 99.

[24] Id. at 101.

[25] *People v. SPO1 Lobitania*, 437 Phil. 213, 214 (2002).

[26] Rollo, p. 15.

[27] Consolidated Rural Bank (Cagayan Valley), Inc. v. Court of Appeals, 489 Phil. 320, 331, citing C. VILLANUEVA, PHILIPPINE LAW ON SALES 100 (1995).

[28] Art. 777, New Civil Code: "The rights to the succession are transmitted from the moment of the death of the decedent."

[29] Art. 774, New Civil Code.

[30] Art. 776, New Civil Code.

[31] Id. at 41.

[32] Id. at 10.

[33] Id. at 32.

[34] 548 Phil. 332 (2007).

[35] Id. at 426.

[36] Herbon v. Palad, 528 Phil. 130, 146 (2006) citing Tigno v. Sps. Aquino, 486 Phil. 254 (2004).

[37] Id., citing Mendezona v. Ozamiz, 426 Phil. 888 (2002), 903-904.

[38] Rollo, p. 46.

[39] Id. at 28.

[40] Id. at 29, 31.

[41] DBP v. Traders Royal Bank, et al., 642 Phil. 547, 556 (2010) citing Rep. of the Phils. v. RTC, Br. 18, Roxas City, Capiz, et al., 607 Phil. 547, 557-558 (2009).

[42] 103 Phil. 683 (1958).

[43] Id. at 687.

[44] 96 Phil. 622 (1955), citing 19 Am. Jur. 343-344.

[45] Id. at 637.

[46] Rollo, p. 30.

[47] Id. at 31.

[48] Bollozos v. Yu Tieng Su, 239 Phil. 475, 485, (1987), citing Bautista v. Dy Bun Chin, CA-L-6983-R, 49 O.G. 179.

[49] Sapto, et al. v. Fabiana, supra, at 685, citing Casica v. Villaseca, G.R. No. L-9590 April 30, 1957.

[50] DKC Holdings Corporation v. Court of Appeals, 386 Phil. 107, 115 (2000).

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.