

EMILIANO ALCOS, ROSARIO E. ALCOS, TERESA E. ALCOS, LYDIA E. ALCOS, HILARIO E. ALCOS AND CATALINA ALCOS, PETITIONERS, VS. INTERMEDIATE APPELLATE COURT,’ ATLAS CONSOLIDATED MINING...

G.R. No. 79317. June 28, 1988

Ponente: FELICIANO, J.

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FELICIANO, J.:

This is a Petition for Review of a Decision dated 16 March 1987 rendered by the respondent appellate court in C.A.-G.R. CV No.- 08939 declaring a Deed of Sale executed in favor of respondent Bias P. Cavada, Sr. as valid and legal.

On 19 February 1975, petitioners commenced action in the then Court of First Instance, now Regional Trial Court, Branch 10, Cebu City, for reconveyance of five (5) parcels of land located in Cantabaco, Toledo City. Petitioners claimed that they were owners of these parcels of land having acquired them by inheritance from Cristeta Emnace Alcos, wife of petitioner Emiliano Alcos and mother of the other petitioners, upon her death in August 1968. Private respondent Cavada, in turn, claimed that he and his deceased wife had acquired the parcels of land in question last 2 May 1950 by virtue of a Deed of Absolute Sale executed by petitioner Emiliano Alcos and his deceased wife Cristeta Emnace Alcos in consideration of P4,500.00. Respondent Cavada also raise the defenses of prescription and laches. On 29 August 1985, the Regional Trial Court, Branch 10, Cebu City,[1] rendered a Decision holding that petitioner Emiliano Alcos' and (deceased) Cristeta Emnace Alcos' signatures on a Deed of Absolute Sale in favor of respondent Bias P. Cavada, Sr. had been forged and declaring said Deed null and void. The dispositive portion of the lower court's Decision read as follows:

"WHEREFORE, Judgment is hereby rendered as follows:

- Declaring Plaintiffs the absolute owners of the five (5) parcels of land in litigation, entitled to their possession and full enjoyment;
- Ordering Defendants to vacate the said parcels of land and turn over the possession thereof to plaintiffs;
- Declaring all the improvements introduced in the litigated parcels of land as belonging to plaintiffs, pursuant to Article 449 of the New Civil Code;
- Ordering defendants to pay, jointly and severally, the plaintiffs a minimum monthly rental of Ten Centavos (P0.10 per square meter of the five (5) parcels of land in litigation with an aggregate area of Two Hundred Ten Thousand and Four Hundred Nineteen (210,419) square meters from May 2, 1950 until the delivery of the possession of said parcels of land to the plaintiffs[2]
- Ordering defendants to pay jointly and severally, the plaintiffs the amount of One Hundred Forty Thousand Pesos (P140,000.00) as moral damages;
- Ordering defendants to pay, jointly and severally, the plaintiffs the amount of Seventy Thousand Pesos

(P70,000.00) as exemplary damages;

- Ordering defendants to pay, jointly and severally, the plaintiffs the amount of Ten Thousand Pesos (P10,000.00) as attorney's fees;

- Ordering defendants to pay, jointly and severally, the plaintiffs the amount of Ten Thousand Pesos (P10,000) as litigation expenses; and

- Ordering defendants to pay, jointly and severally, the plaintiffs, the costs of this suit.

The Cross-claim of defendant ATLAS against the cross-defendant Cavadas, which was not substantiated by any testimonial or documentary evidence, is considered by the Court as abandoned or renounced by cross-claimant defendant ATLAS."^[3] -

An appeal was interposed by private respondents Atlas Consolidated Mining and Development Corporation ("Atlas") and Bias P. Cavada, Sr. with the Court of Appeals. On 16 March 1987, the Court of Appeals, through Mr. Justice Jorge R. Coquia, rendered a Decision reversing the decision of the Regional Trial Court, and dismissing the complaint filed by petitioners. The Deed of Absolute Sale in favor of private respondent Bias P. Cavada, Sr. as well as the subsequent Deeds of Sale executed by Bias P. Cavada, Sr. in favor of Atlas, were all declared valid and legal. Petitioners' Motion for Reconsideration of the Decision of the Court of Appeals was denied on 11 June 1987.^[4]

The undisputed facts as abstracted by the Court of Appeals from the record are as follows:

"The record shows that the plaintiffs are heirs of Cristeta Emnace and Emiliano Alcos who succeeded to the ownership of the five parcels of land in question upon her death sometime in August 1968.

The five parcels of land are all located at Cantabaco, Toledo City. The first parcel of land has an area of 6.4906 hectares the second 6.90603, the third 2.4195 hectares, the fourth 2.8825 and the fifth .2890 hectares. The said parcels were not titled and identified by tax declarations.

The plaintiffs alleged that the defendant Atlas Consolidated Mining and Development Corporation entered into the possession and claimed ownership of the above described parcels of land by virtue of deeds of sale allegedly executed by defendant Bias Cavada. According to the said plaintiffs, they have not executed any document conveying ownership of the parcels of land in question to Cavada and any document transferring title or ownership thereof is a forgery.

Bias P. Cavada alleged that the aforesaid parcels of land were sold by Emiliano Alcos with the consent of his wife Cristeta Emnace Alcos. In fact all the documents supporting the ownership of the Alcoses were delivered to him and thereafter, he took possession of said parcels of land and benefited from the fruits thereof without any disturbance from any person.

Attorney Delfin Mercader, the Notary Public who notarized the deed of sale affirmed the execution of the deed of sale which was acknowledged by the vendors and the instrumental witnesses in his presence on May 2, 1950.

The amount of P-4,500.00 as consideration of the sale was paid by an amount of P2,000.00 as initial payment and the balance thereof in promissory notes (Exh. 10). The said promissory note was paid on installments as shown in a series of communications as follows:

"On June 3, 1950 Cavada wrote Emiliano Alcos and Cristeta Emnace enclosing in a letter a postal money order in the amount of P-200.00.

On June 29, 1950. Alcos reminded Cavada of his debt even in the amount of P2,500.00. He acknowledged the receipt of P200.00 sent by mail.

On August 9, 1950 Cavada wrote Alcos mentioning that he enclosed two postal money orders in the total amount of P-300.00.

On September 3, 1950. Cavada sent another postal money order in The amount of P200.00.

On October 7, 1950, Cavada wrote Alcos explaining why he failed to visit him. He also enclosed a postal money order in the amount of P200.00. (Exh. 32)

Letters were later sent by Cavada mentioning remittances to Alcos [summarizing] the total payments made and the remaining balance of P800.00.

Finally on February 24, 1951, Cavada paid the balance of P800.00 Cristeta Emnace Alcos acknowledged said amount with a receipt which reads:

"Received this 24th day of February 1951 the sum of Eight Hundred Pesos (P800.00). The full amount of P4,500.00 is paid for.

Sgd. Cristeta E. Alcos."

After the execution of a deed of sale, tax declarations were issued in the name of Bias Cavada cancelling the tax declarations in the name of Emiliano Alcos. For Lot No. 1, Cavada was issued Tax Declaration No. 08927; for Lot No. 2, Tax Declaration No. 08928; for Lot No. 3, Tax Declaration No. 08922; for Lot No. 4, Tax Declaration No. 08930; for Lot No. 5, Tax Declaration-No. 08929. These tax declarations were revised due to some transactions made by Cavada to other persons including the herein defendant Atlas.

Defendant Atlas alleged that on October 14, 1953 Bias Cavada sold parcel No. 1 containing an area of 64,906 square meters to Atlas as shown in the deed of sale notarized by Notary Public Crescencio Perolino (Exh. 1-Atlas). Thus, Tax Declaration No. 08927 in the name of Cavada was cancelled and in lieu thereof, Atlas was issued by the Office of the City Assessor of Toledo City Tax Dec. No. 08944, which tax declaration was subsequently cancelled because of a revision of assessments. The said tax declaration No. 08944 (Atlas), was cancelled by Tax Dec. No. 11100 (Atlas). This Tax Dec. No. 11100 (Atlas) was later fused with other tax declarations in the name of Atlas, and a new Tax Dec. No. 17990 was issued covering all these tax declarations. This Tax Dec. No. 17990 was subsequently fragmented by the Office of the City Assessor into three (3) tax declarations as follows:

1)Tax Declaration No. 40274. This Tax Dec. No. 40274 was later on revised and replaced with Tax Dec. No. 41640, and the latter was itself replaced with Tax Dec. No. 19673;

2) Tax Declaration No. 40275. This tax declaration was revised and replaced with Tax Dec. No. 41641, and the latter was replaced with Tax Dec. No. 19577;

3)Tax Declaration No. 40276. This tax declaration was revised and replaced with Tax Dec. No. 41642 and the latter was replaced with Tax Dec. No. 19578.

Atlas paid the corresponding realty taxes (Exhs. 45-192 Atlas) and made improvements such as fencing with cyclone wires, the construction of a chapel, convent, hospital, staff houses, [water] tank, water pipes, warehouse, and P.C. Headquarters from 1953 to 1968.

On March 25, 1956, Bias Cavada sold to Atlas 3.2750 hectares of Lot No. 2 as shown in a document notarized by Notary Public Ceredion T. Nadela (Exh. 14). Thus Dec. No. 08928 in the name of Cavada was cancelled and in lieu thereof, the Office of the City Assessor of Toledo City issued two (2) tax declarations, which were Tax Dec. Nos. 10045 (Cavada) and 10046 (Atlas). Cavada's Tax Dec. No. 10045 underwent revisions and was cancelled by Tax Declaration No. 16885 which was later cancelled by Tax Dec. No. 16886. Atlas' Tax Dec. No. 10046 also

underwent a series of revisions. It was cancelled by Tax Dec. No. 40250, which was in turn cancelled by Tax Dec. No. 19569.

Atlas paid the corresponding taxes as shown in the tax receipts (Exhs. 45 to 192, Atlas).

On April 5, 1956 Atlas purchased from Bias Cavada an additional area of 6.675 square meters. This area was taken from the remaining portion of Lot No. Two (2). The document of sale was entered in the notarial register of Notary Public Ramon B. Ceniza, as Doc. No. 65, Page No. 56, Book No. V, Series of 1965 (Exh. "15-Atlas"). Accordingly, Tax Dec. No. 16886 existing at the time in the name of Cavada was cancelled and in lieu thereof, two (2) tax declarations were issued, namely: Tax Dec. No. 20102-Atlas and Tax Dec. No. 20103-Cavada. Tax Dec. No. 20102 in the name of Atlas underwent revisions and new tax declaration was issued which was Tax Dec. No. 40250 and this Tax Dec. No. 40250 was subsequently revised/ cancelled and Tax Dec. No. 41616-Atlas was issued.

Tax Declaration No. 08923 covering Lot No. 3 in the name of Cavada cancelled in 1954 by Tax Dec. Nos. 8984-8986 (Exh. "26-Atlas"). Tax Dec. No. 08984 was in the name of Atlas pursuant to a Deed of Sale transactions (Exh. "27-Atlas") and Tax Dec. Nos. 08985-86 were in the name of Cavada.

Tax Dec. No. 8984 in the name of Atlas underwent revisions and was cancelled by Tax Dec. Nos. 40242 and 40243, Tax Dec. No. 40242 was cancelled by Tax Dec. No. 41612. Tax Dec. No. 41612 was also cancelled by Tax Dec. No. 19609-Atlas. The other Tax Dec. No. 40243 likewise underwent revisions and was cancelled by Tax Dec. No. 41613-Atlas and the latter was revised cancelled by Tax Dec. No. 19580.

On December 9, 1954, Bias Cavada sold another portion of Lot No. Three (3) in favor of Atlas. The deed of sale was identified as Doc. No. 192, Page No. 65, Book No. I, Series of 1954 of the Notarial Register of Notary Public Crescencio N. Perolino. Thus, Tax Dec. Nos. 08985 and 08986 existing at the time in the name of Cavada were cancelled and Atlas was issued Tax Dec. Nos. 9428 and 9429. In 1973 the Office of the City Assessor of Toledo City made revisions of all existing Tax Declarations and Atlas Tax Dec. Nos. 9228 and 1929 was revised/cancelled and in lieu thereof the said office issued to ATLAS Tax Dec. No. 40243. The land has been used as part of Atlas Mining area.

On June 8, 1967, Bias Cavada sold to Atlas a portion of Lot No. Four (4) to the extent of 11.165 square meters the Deed of Sale document was identified as Doc. No. 53, Page No. 74, Book No. V, Series of 1967 of the Notarial Register of Notary Public Ramon B. Ceniza (Exh. "42-Atlas"). Thus, Tax Dec. No. 08930 in the name of Cavada was cancelled and Atlas was issued Tax Dec. No. 31661 in the name of Cavada. Tax Dec. No. 31660-Atlas underwent revision and was cancelled by Tax Dec. No. 40282-Atlas and the latter was revised/cancelled by Tax Dec. No. 41618. This Tax Dec. No. 41618 was revised/cancelled by Tax Dec. No. 19572.

Atlas paid the corresponding taxes as shown in the Realty Property Tax Receipt issued by the Office of the City Treasurer, Toledo City, Atlas has been using the area as part of its mining operations.

On February 20, 1975, the case at bar was filed with the trial court, wherein Alcos described the parcels of land they sought to recover as covered by Tax Dec. Nos. 06972 (Exh. "W"), 06973 (Exh. "W-I"), 06974 (Exh. "W-2") and 06973 (Exh. "S-3"). These tax declarations were issued in 1974, and were revisions of previous tax declarations issued by the Provincial Assessor of Cebu (Exhs. "Q-" to "U-2" and "V-I" to "V-3"). The plaintiffs have been aware of Atlas possession and exercise of ownership over the area since it acquired the same from Cavada in 1953, 1954, 1956, 1966 and 1967.

xxx xxx xxx."[5]

In the instant Petition for Review, petitioners assert that the Court of Appeals erred in the following respects:

1) in declaring that the deeds of sale in favor of private respondents are valid and legal; and

2) in holding that petitioners' cause of action had been lost by prescription and laches.

The petitioners attacked the Deed of Sale executed by Emiliano Alcos and Cristeta Emnace Alcos in favor of Bias P. Cavada, Sr. as null and void upon the ground that the signatures of Emiliano Alcos and Cristeta Emnace Alcos had been forged. The trial Judge had upheld this claim of petitioners relying upon the conclusion reached by Emmanuel Pepito who was presented by petitioners as an expert witness on handwriting. The trial Judge rested his finding on this point upon the following testimony of witness Pepito:

"ATTY.DUTERTE:

Q.

After making these findings stated by you in your handwriting analysis report, what was your conclusion?

A.

After making a searching or an exhaustive and careful analysis of both the questioned and standard signatures of Emiliano Alcos and Cristeta E. Alcos, and after I reached my own definite findings, I concluded that the questioned signatures of both Emiliano Alcos and Cristeta E. Alcos are two different signatures and that the questioned and the standard signatures are not the same. They do not belong to the same author.

Q.

How about the signature of Cristeta Alcos in the questioned document?

A.

They were written by two (2) different authors." (TSN-Ortiz, p. 11, Session of July 11, 1979. Italics supplied)

Upon the other hand, the Court of Appeals declined to be bound by the conclusion of witness Pepito which had been simply adopted by the trial Judge. The Court of Appeals said:

"As it is, the handwriting expert relied upon by the trial court made conclusions on disparities on the standard signatures on the questioned documents. The value of the opinion of a handwriting expert depends not upon his mere statements of whether a writing is genuine or false, but upon the assistance he may afford in pointing out distinguishing marks, characteristics, and discrepancies in and between genuine and false specimens of writing which would ordinarily escape notice or detection from an unpracticed observer. It is well-known fact that very rarely, if ever, will any two specimens of a person's signature be exactly alike. For this reason, arguments based upon minute similarities or dissimilarities find little favor and have very little weight in the courts. But glaring inconsistencies between a disputed signature and a number of genuine signatures are not in the same class (U.S. v. Rosel, 24 Phil. 594). Speculations on this matter should give way to the positive declarations of instrumental witnesses (Matias vs. Salud, 104 Phil. 1046)."[6]

We agree with the Court of Appeals on this point. The authenticity of signatures in questioned documents has frequently been the subject of proffered expert testimony. Such issue, however, is not a highly technical issue in the same sense that questions concerning, e.g., quantum physics or topology or molecular biology, would

constitute matters of a highly technical nature. The opinion of a handwriting expert on the genuineness of a questioned signature is certainly much less compelling upon a judge than an opinion rendered by a specialist on a highly technical issue. The signatures on a questioned document can be sighted by a judge who can and should exercise independent judgment on the issue of authenticity of such signatures. "The test of genuineness" Chief Justice Moran stressed in his standard treatises, "ought to be the resemblance, not to the formation of the letters in some other specimen or specimens, but to the general character of writing, which is impressed on it as the involuntary and unconscious result of constitution, habit, or other permanent course, and is, therefore, itself permanent." [7]

We have ourselves examined the signatures of Emiliano Alcos and Cristeta Emnace Alcos in the 2 May 1950 Deed of Sale in favor of Bias P. Cavada, Sr., [8] and the standard or control signatures. [9] It appears to the Court that there is a visible general resemblance between the questioned signatures and the standard signatures, which general resemblance is particularly marked in respect of the standard signature of Cristeta Emnace Alcos dated 27 September 1945 and the 12 May 1949 signatures of Emiliano Alcos. This general resemblance is somewhat less marked when one compares the questioned signatures with the other standard signatures of Emiliano Alcos and Cristeta Imnace Alcos, i.e., which were executed thirteen (13) years later than the questioned signatures; the general resemblance, however, is still there and visible. Thus, we consider that the Court of Appeals correctly rejected the unquestioning adoption by the trial court of the conclusions of one witness albeit presented as an expert on questioned documents.

More important than the conclusions of such expert witness was the fact that the Notary Public, Atty. Delfin Mercader, who had notarized the 2 May 1950 Deed of Absolute Sale testified affirmatively and in detail that Emiliano Alcos and Cristeta Emnace Alcos had appeared before him and had signed the said Deed of Absolute Sale. The Notary Public's testimony follows:

"Q

Can you tell this Court who were there in your office when they presented this prepared document?

A

The vendors Emi.li.a.no Alcos accompanied by his wife, Cristeta E. de Alcos and Juanito Macapaz, one of the witnesses.

Q

Now, below the name Juanito Macapaz is a signature, can you tell this Court whose signature is this as among one of the witnesses?

A That is my signature.

xxx xxx xxx

Q Are we to understand that since you have signed in the left hand margin, left hand page that you also signed this as a witness aside from being a Notary Public?

A Yes, that is correct.

Q Now, over the typewritten name witness is another signature, will you please tell the Court whose signature is this?

A This is also my signature, as witness.

xxx xxx xxx

Q According to you, this document is already prepared, now, who actually brought this to you?

A The vendors, Emiiiano Alcos accompanied by his wife, Cristeta E. de Alcos.

Q When this was brought to you, was this document already signed

A No, not yet. They signed this in front of me together with the witness, Juanito Macapaz.

Q Now, here is a signature, Emiiiano Aicos will you please tell the Court if you were present when this was signed?

A I was present. He signed that signature of his.

xxx xxx xxx

Q Now, you said that you were present when this document was signed, will you please tell the Court whose signature is this below the signature of Emiiiano Alcosi

A That is the signature of his wife, Cristeta E. de Alcos.

xxx xxx xxx

Q Now, you said you were present when this was signed by the other witness. Will you please tell the Court whose signature is this over your signatures?

A This is the signature of the other witness, Juanito Macapaz-

xxx xxx xxx

Q Can you tell the Court whose signature is this over the typewritten name, Emiliano Alcos?

A This is his signature, Emiliano Alcos.

xxx xxx xxx

Q Now, here is also a signature over the typewritten name, Cristeta E. Alcos, you said you were present when this was signed. Will you please tell the Court whose signature is this?

A That is her signature, Cristeta E. de Alcos.

xxx xxx xxx

Q Now, aside from signing this document, what else did the vendors do?

A The vendors presented to me several papers, tax declarations, some documents which they possess with respect to these parcel of lands and I told them that you deliver the same to Atty. Cavada, the purchaser.

Q Showing to you these documents which are already marked as tax declaration No. 2747 as Exhibit '6' Cavada in the name of Cristeta Emnace; an old tax declaration No. 16387, already marked as Exhibit '18' Cavada in the name of Claudio Sernada; another old tax declaration no., this is not legible your Honor already

marked as Exhibit '19' Cavada in the name of Claudio Sernada; tax declaration No. 18351, already marked as Exhibit '20' Cavada in the name of Claudio Sernada; tax declaration No. 18350 already marked as Exhibit '21' Cavada in the name of Claudio Sernada; tax declaration No. I 8339 already marked as Exhibit '22' Cavada already in the name of Claudio Sernada; tax declaration No. 184415, already marked as Exhibit '23' Cavada in the name of Claudio Sernada and another tax declaration, another document rather written in the Cebuano — Visayan dialect already marked as Exhibit '28' Cavada. Will you please tell the Court if you have seen those documents before?

A I will examine the documents. Yes, these are the documents I mentioned which the vendors, Emiliano Alcos and his wife showed to me and which I instructed them to turn them over to the buyer, Bias P. Cavada." [10]

We believe and so hold that the above testimony of the Notary Public, who was not only an instrumental witness himself but also an officer of the court, and whose act of notarization impressed upon the disputed Deed of Absolute Sale the full faith and credit which attaches to a public instrument.[11] explicitly identifying the signatures of Emiliano Alcos and Cristeta Emnace Alcos in the Deed of Absolute Sale and expressly and forthrightly stating that both had appeared before him and affixed their signatures to the said document, must be held to control and prevail over the opinion or conclusion of petitioners' expert witness, Pepito.

It may be noted further that the reality and authenticity of the Deed of Sale signed by Emiliano Alcos and Cristeta Emnace Alcos were corroborated by the series of communications between the sellers — the spouses Emiliano Alcos — and the buyer Bias P. Cavada, Sr. for the collection of the balance of the purchase price of P4,500.00, a P2,000.00 downpayment on which had been paid by the buyer and the remaining balance embodied in promissory notes. These notes were paid on installments as shown in the series of letters or notes between the sellers and the buyer and the final receipt dated 24 February 1951 covering the balance of P800.00 signed by Cristeta Emnace Alcos.[12]

Further corroboration of the truthfulness and authenticity of the Deed of Absolute Sale in favor of Bias P. Cavada, Sr. may also be found in the fact that immediately after the sale to him in 1950, respondent Cavada took possession of the property he had purchased and thereafter occupied the same publicly, continuously and adversely vis-a-vis petitioners and the rest of the world until he sold the parcels of land to private respondent Atlas over a period of time starting in 1953. Forthwith upon purchase, respondent Atlas took over possession and occupation of the parcels of land involved, enclosing them by a circumferential fence and into which Atlas introduced very extensive improvements including warehouses, large staff houses, a large hospital building, a chapel and a nurses home. The original buyer, Bias P. Cavada, Sr. paid the real estate taxes on the parcels of land involved every year from 1950 up to actual sale of the various parcels of land to respondent Atlas; upon purchase and up to the present, the real property taxes on these individual parcels of land have been paid continuously by respondent Atlas.[13] In contrast, petitioners never paid any real property taxes on the land here involved after 2 May 1950 and until 28 years later, when on 31 May 1979 — four years after commencement of their suit in the trial court and before presentation of evidence to support their claim of ownership — petitioners paid real property taxes on the land involved pertaining to the years 1961-1968 and 1972-1979 in a lump-sum.[14] This belated payment, however, would appear to be little more than an effort on the part of petitioners to impart some verisimilitude to their claim.

Turning to the questions of prescription and laches, we note that the Deed of Absolute Sale executed by Emiliano Alcos and Cristeta Emnace Alcos was dated 2 May 1950 while the complaint in the instant case was filed on 19 February 1975 or approximately twenty-five (25) years later. The Court of Appeals held that whatever cause of action petitioners had, must be held to have been lost by prescription and laches. We are, once more, compelled to

agree with the Court of Appeals. Viewing petitioners' original complaint as one for annulment on grounds of fraud and forgery, petitioners' action was required to be filed within four (4) years.[15] The four (4) years in the instant case must be counted from the date of the cancellation of the old tax declarations in the name of Emiliano Alcos and Cristeta Emnace Alcos and the issuance of new tax declarations in the name of Bias P. Cavada, Sr., which was done almost immediately after execution of the Deed of Sale in 2 May 1950. If the action commenced by petitioners in 1975 is viewed as an action for reinvindication of real property claimed by them, it must still be regarded as having prescribed. An action for reconveyance of real property must be brought within ten (10) years from the time accrual of the cause of action.[16] In the instant case, petitioners' cause of action for reconveyance must be deemed to have accrued upon issuance by the Office of the City Assessor of Toledo City of the new tax declarations in the name of respondent Bias P. Cavada, Sr. and the beginning of the adverse possession by the latter.

Petitioners' action must also be held to be barred by the equitable principle of laches. Petitioners, from the very beginning and continuously thereafter, were aware that the properties involved had passed into the actual possession of respondent Cavada and later into that of respondent Atlas. The improvement introduced by respondent Atlas were not only considerable; they were also quite visible and conspicuous and could not have completely escaped the attention of petitioners for a quarter of a century. Petitioners failed to institute any action for reconveyance during the lifetime of Cristeta Emnace Alcos nor did they seek reconveyance until about twenty-five (25) years from execution of the Deed of Sale in 1950. There is evident here a failure or neglect for an unreasonable and unexplained period of time to do what petitioners claimed they were entitled to do. The negligence or omission in this case to assert a supposed right was for such a prolonged period of time as to warrant the assumption that the parties claiming to be entitled to assert it either had abandoned it, or had decided that they were in fact not entitled to assert it and hence acquiesced in it.[17]

The principle of laches is a creation of equity. It is applied, not really to penalize neglect or sleeping upon one's right, but rather to avoid recognizing a right when to do so would result in a clearly inequitable situation.[18] In the instant case, even assuming (arguendo, merely) petitioners had a valid cause of action to begin with, to recognize such cause of action 25 years later, after what originally had been raw or agricultural land of the Alcos spouses had appreciated in value literally a thousand fold because of work and funds poured into it by Atlas, while petitioners stood by with folded arms, would be to impose an intolerable strain upon the conscience of the Court.

WHEREFORE, the Petition for Review is hereby DENIED and the Decision of the Court of Appeals dated 16 March 1987 is AFFIRMED. Costs against petitioners.

SO ORDERED.

Fernan (Chairman), Bidin, and Cortes, JJ., concur.

Gutierrez, Jr., J., on leave.

[1] With Judge Candido C. Aguinaldo presiding.

[2] The rentals decreed by the trial judge for the period from 2 May 1950 to 29 August 1985, or 424 months, amount to P8,921,765.60.

[3] Rollo, pp. 22-23.

[4] Records, p. 21.

[5] Rollo. pp. 64-68.

[6] *Id.*, p. 70.

[7] 5 Moran, Comments on the Rules of Court, 434 (Nolasco ed., 1980); See *People v. Bustos*, 45 Phil. 9 (1983).

[8] Record, p. 148.

[9] *Id.*, pp. 165, 166, 167& 168. The Court has itself examined questioned signatures and compared them with control signatures in the past: e.g., *People vs. Busios*, 45 Phil. 9 (1923); and *Go Fay vs. Bank of the Philippine Islands*, 46 Phil. 968 (1924).

[10] See TSN, pp. 6-12, Hearing of 7 October 1982; italics supplied.

[11] *Realino v. Villamor*, 87 SCRA 318 (1978); *Ramirez v. Ner*, 21 SCRA 207 (1967); and *Matias v. Salud*, 104 Phil. 1046 (1958).

[12] See Court of Appeals' Decision quoted above, pp. 4-8.

[13] *Ibid.*

[14] File marked "Tax Declarations of Mrs. Cristeta Emnace Alcos," pp. 36-39; Real Property Tax Receipts, marked as Exhibits "X", "X-1", "X-2" and "X-3".

[15] Articles 1146 and 1391, Civil Code.

[16] E.g., *Bunyi v. Reyes*, 39 SCRA 504 (1971); *Vela, de Delima v. Tio*, 32 SCRA 516 (1970); and *Patricio Sinaon, et al, v. Andres Sorongon, et al.*, 136 SCRA 407 (1985).

[17] E.g., *Alarcon, et al. v. Hon. Abdulwahid A. Bidin, et al.*, 120 SCRA 390 (1983); *Salandang Pangadil, et al. v. Court of First Instance of Cotabato, et al.*, 116 SCRA 347 (1982); *Samonte, et al. v. Court of Appeals, et al.*, 141 SCRA 189 (1986); *Cristobal v. Melchor*, 76 SCRA 175 (1977); *Pabalate v. Echarrie, Jr.*, 37 SCRA 578 (1971); and *Vda. de Delima v. Tio*, *supra*.

[18] Cf., *Asuncion v. Court of Appeals, et al.*, 150 SCRA 353 (1987).

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