



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

ALI AKANG,

Petitioner,

G.R. No. 186014

Present:

- versus -

SERENO, C.J.,  
Chairperson,  
LEONARDO-DE CASTRO,  
BERSAMIN,  
VILLARAMA, JR., and  
REYES, JJ.

MUNICIPALITY OF ISULAN,  
SULTAN KUDARAT PROVINCE,  
represented by its MUNICIPAL  
MAYOR AND MUNICIPAL VICE  
MAYOR AND MUNICIPAL  
COUNCILORS/KAGAWADS,  
Respondent.

Promulgated:

**JUN 26 2013**

X ----- X

DECISION

REYES, J.:

This case was originally filed as a petition for *certiorari* under Rule 65 of the Rules of Court. In the Court's Resolution dated March 9, 2009, however, the petition was treated as one for review under Rule 45.<sup>1</sup> Assailed is the Decision<sup>2</sup> dated April 25, 2008 and Resolution<sup>3</sup> dated October 29, 2008 of the Court of Appeals Mindanao Station (CA) in CA-G.R. CV No. 00156, which reversed the Judgment<sup>4</sup> dated January 14, 2004 of the

<sup>1</sup> Initially, the Court dismissed the petition in its Resolution dated March 3, 2010 for failure of the petitioner to file a reply to the respondent's comment as directed by the Court in its Resolution dated July 15, 2009. The Court, however, later reinstated the petition per Resolution dated July 21, 2010.

<sup>2</sup> Penned by Associate Justice Rodrigo F. Lim, Jr. (now retired), with Associate Justices Michael P. Elbinias and Edgardo T. Lloren, concurring; *rollo*, pp. 20-41.

<sup>3</sup> Id. at 42-43.

<sup>4</sup> Penned by Judge German M. Malcampo; id. at 44-93.

Regional Trial Court (RTC) of Isulan, Sultan Kudarat, Branch 19 in Civil Case No. 1007 for Recovery of Possession of Subject Property and/or Quieting of Title thereon and Damages.

### The Facts

Ali Akang (petitioner) is a member of the national and cultural community belonging to the Maguindanaon tribe of Isulan, Province of Sultan Kudarat and the registered owner of Lot 5-B-2-B-14-F (LRC) Psd 1100183 located at Kalawag III, Isulan, Sultan Kudarat, covered by Transfer Certificate of Title (TCT) No. T-3653,<sup>5</sup> with an area of 20,030 square meters.<sup>6</sup>

Sometime in 1962, a two-hectare portion of the property was sold by the petitioner to the Municipality of Isulan, Province of Sultan Kudarat (respondent) through then Isulan Mayor Datu Ampatuan under a Deed of Sale executed on July 18, 1962, which states:

**“That for and in consideration of the sum of THREE THOUSAND PESOS (P3,000.00), Philippine Currency, value to be paid and deliver to me, and of which receipt of which shall be acknowledged by me to my full satisfaction by the MUNICIPAL GOVERNMENT OF ISULAN, represented by the Municipal Mayor, Datu Sama Ampatuan, hereinafter referred to as the VENDEE, I hereby sell, transfer, cede, convey and assign as by these presents do have sold, transferred, ceded, conveyed and assigned, an area of TWO (2) hectares, more or less, to and in favor of the MUNICIPAL GOVERNMENT OF ISULAN, her (sic) heirs, assigns and administrators to have and to hold forever (sic) and definitely, which portion shall be utilized purposely and exclusively as a GOVERNMENT CENTER SITE x x x[.]”<sup>7</sup>**

The respondent immediately took possession of the property and began construction of the municipal building.<sup>8</sup>

Thirty-nine (39) years later or on October 26, 2001, the petitioner, together with his wife, Patao Talipasan, filed a civil action for Recovery of Possession of Subject Property and/or Quieting of Title thereon and Damages against the respondent, represented by its Municipal Mayor, et al.<sup>9</sup> In his complaint, the petitioner alleged, among others, that the agreement

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<sup>5</sup> Under the name of Ali Akang married to Patao Talipasan stating on its face that it was originally registered on the 1<sup>st</sup> day of December 1965 with Original Certificate of Title No. P-26626 pursuant to Homestead Patent No. V-4454 granted on the 17<sup>th</sup> day of March 1955 under Act 141; id. at 44.

<sup>6</sup> Id.

<sup>7</sup> Id. at 34-35.

<sup>8</sup> Id. at 25.

<sup>9</sup> Id.

was one to sell, which was not consummated as the purchase price was not paid.<sup>10</sup>

In its answer, the respondent denied the petitioner's allegations, claiming, among others: that the petitioner's cause of action was already barred by laches; that the Deed of Sale was valid; and that it has been in open, continuous and exclusive possession of the property for forty (40) years.<sup>11</sup>

After trial, the RTC rendered judgment in favor of the petitioner. The RTC construed the Deed of Sale as a contract to sell, based on the wording of the contract, which allegedly showed that the consideration was still to be paid and delivered on some future date – a characteristic of a contract to sell.<sup>12</sup> In addition, the RTC observed that the Deed of Sale was not determinate as to its object since it merely indicated two (2) hectares of the 97,163 sq m lot, which is an undivided portion of the entire property owned by the petitioner. The RTC found that segregation must first be made to identify the parcel of land indicated in the Deed of Sale and it is only then that the petitioner could execute a final deed of absolute sale in favor of the respondent.<sup>13</sup>

As regards the payment of the purchase price, the RTC found the same to have not been made by the respondent. According to the RTC, the Municipal Voucher is not a competent documentary proof of payment but is merely evidence of admission by the respondent that on the date of the execution of the Deed of Sale, the consideration stipulated therein had not yet been paid. The RTC also ruled that the Municipal Voucher's validity and evidentiary value is in question as it suffers infirmities, that is, it was neither duly recorded, numbered, signed by the Municipal Treasurer nor was it pre-audited.<sup>14</sup>

The RTC also ruled that the Deed of Sale was not approved pursuant to Section 145 of the Administrative Code for Mindanao and Sulu or Section 120 of the Public Land Act (PLA), as amended. Resolution No. 70,<sup>15</sup> which was issued by the respondent, appropriating the amount of ₱3,000.00 as payment for the property, and Resolution No. 644 of the Provincial Board of Cotabato, which approved Resolution No. 70, cannot be considered proof of the sale as said Deed of Sale was not presented for examination and approval

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<sup>10</sup> Id. at 27-28.

<sup>11</sup> Id. at 46-47.

<sup>12</sup> Id. at 77-78.

<sup>13</sup> Id. at 79.

<sup>14</sup> Id. at 80.

<sup>15</sup> Resolution No. 70, passed on October 6, 1962, states: "Furthermore, by virtue of the provision on Section 3 of Republic Act No. 2264, let there be appropriated as appropriations be made from funds not unless otherwise appropriated in the sum of ₱3,000.00 to be expended for payment of the purchase price of the two-hectare lot and be made payable to Ali Akang subject to audit rules and regulations."

of the Provincial Board.<sup>16</sup> Further, since the respondent's possession of the property was not in the concept of an owner, laches cannot be a valid defense for claiming ownership of the property, which has been registered in the petitioner's name under the Torrens System.<sup>17</sup>

The dispositive portion of the RTC Decision<sup>18</sup> dated January 14, 2004 reads:

WHEREFORE, upon all the foregoing considerations, judgment is hereby rendered:

- a. Declaring the contract entered into between the plaintiffs and the defendant, Municipal Government of Isulan, Cotabato (now Sultan Kudarat), represented by its former Mayor, Datu Suma Ampatuan, dated July 18, 1962, as a contract to sell, without its stipulated consideration having been paid; and for having been entered into between plaintiff Ali Akang, an illiterate non-Christian, and the defendant, Municipal Government of Isulan, in violation of Section 120 of C.A. No. 141, said contract/agreement is hereby declared null and void;
- b. Declaring the Deed of Sale (Exh. "1"- "E") dated July 18, 1962, null and void [ab] initio, for having been executed in violation of Section 145 of the Administrative Code of Mindanao and Sulu, and of Section 120 of the Public Land Law, as amended by R.A. No. 3872;
- c. Ordering the defendants to pay plaintiffs, the value of the lot in question, Lot No. 5-B-2-B-14-F (LRC) Psd 110183, containing an area of 20,030 Square Meters, at the prevailing market value, as may [be] reflected in its Tax Declaration, or in the alternative, to agree on the payment of monthly back rentals, retroactive to 1996, until defendants should decide to buy and pay the value of said lot as aforestated, with legal interest in both cases;
- d. Ordering the defendant, Municipal Government of Isulan, Sultan Kudarat, to pay plaintiffs, by way of attorney's fee, the equivalent of 30% of the value that defendants would pay the plaintiffs for the lot in question; and to pay plaintiffs the further sum of [P]100,000.00, by way of moral and exemplary damages;
- e. Ordering the defendants, members of the Sangguniang Bayan of Isulan, Sultan Kudarat, to pass a resolution/ordinance for the appropriation of funds for the payment of the value of plaintiffs' Lot 5-B-2-B-14-F

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<sup>16</sup> *Rollo*, p. 85.

<sup>17</sup> *Id.* at 81-82.

<sup>18</sup> *Id.* at 44-93.

(LRC) Psd-110183, and of the damages herein awarded to the plaintiffs; and

f. Ordering the defendants to pay the costs of suit.

For lack of merit, the counterclaims of the defendants should be, as it is hereby, dismissed.

IT IS SO ORDERED.<sup>19</sup>

By virtue of said RTC decision, proceedings for the Cancellation of Certificate of Title No. T-49349 registered under the name of the respondent was instituted by the petitioner under Miscellaneous Case No. 866 and as a result, the respondent's title over the property was cancelled and a new one issued in the name of the petitioner.

The respondent appealed the RTC Decision dated January 14, 2004 and in the Decision<sup>20</sup> dated April 25, 2008, the CA reversed the ruling of the RTC and upheld the validity of the sale. The dispositive portion of the CA Decision provides:

WHEREFORE, the assailed decision dated January 14, 2004 is hereby **REVERSED** and a new one entered, upholding the contract of sale executed on July 18, 1962 between the parties.

SO ORDERED.<sup>21</sup>

The CA sustained the respondent's arguments and ruled that the petitioner is not entitled to recover ownership and possession of the property as the Deed of Sale already transferred ownership thereof to the respondent. The CA held that the doctrines of estoppel and laches must apply against the petitioner for the reasons that: (1) the petitioner adopted inconsistent positions when, on one hand, he invoked the interpretation of the Deed of Sale as a contract to sell but still demanded payment, and called for the application of Sections 145 and 146 of the Administrative Code for Mindanao and Sulu, on the other; and (2) the petitioner did not raise at the earliest opportunity the nullity of the sale and remained passive for 39 years, as it was raised only in 2001.<sup>22</sup>

The CA also ruled that the Deed of Sale is not a mere contract to sell but a perfected contract of sale. There was no express reservation of ownership of title by the petitioner and the fact that there was yet no

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<sup>19</sup> Id. at 91-93.

<sup>20</sup> Id. at 20-41.

<sup>21</sup> Id. at 40.

<sup>22</sup> Id. at 28-30.

payment at the time of the sale does not affect the validity or prevent the perfection of the sale.<sup>23</sup>

As regards the issue of whether payment of the price was made, the CA ruled that there was actual payment, as evidenced by the Municipal Voucher, which the petitioner himself prepared and signed despite the lack of approval of the Municipal Treasurer. Even if he was not paid the consideration, it does not affect the validity of the contract of sale for it is not the fact of payment of the price that determines its validity.<sup>24</sup>

In addition, the CA noted that there was an erroneous cancellation of the certificate of title in the name of the respondent and the registration of the same property in the name of the petitioner in Miscellaneous Case No. 866. According to the CA, this does not affect in any way the ownership of the respondent over the subject property because registration or issuance of a certificate of title is not one of the modes of acquiring ownership.<sup>25</sup>

The petitioner sought reconsideration of the CA Decision, which was denied by the CA in its Resolution<sup>26</sup> dated October 29, 2008.

Hence, this petition.

### **Issue**

WHETHER THE PETITIONER IS ENTITLED TO RECOVER OWNERSHIP AND POSSESSION OF THE PROPERTY IN DISPUTE.

Resolution of the above follows determination of these questions: (1) whether the Deed of Sale dated July 18, 1962 is a valid and perfected contract of sale; (2) whether there was payment of consideration by the respondent; and (3) whether the petitioner's claim is barred by laches.

The petitioner claims that the acquisition of the respondent was null and void because: (1) he is an illiterate non-Christian who only knows how to sign his name in Arabic and knows how to read the Quran but can neither read nor write in both Arabic and English; (2) the respondent has not paid the price for the property; (3) the Municipal Voucher is not admissible in evidence as proof of payment; (4) the Deed of Sale was not duly approved in

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<sup>23</sup> Id. at 35-36.

<sup>24</sup> Id. at 37-39.

<sup>25</sup> Id. at 39.

<sup>26</sup> Id. at 42-43.

accordance with Sections 145 and 146 of the Administrative Code of Mindanao and Sulu, and Section 120 of the PLA, as amended; and (4) the property is a registered land covered by a TCT and cannot be acquired by prescription or adverse possession.<sup>27</sup> The petitioner also explained that the delayed filing of the civil action with the RTC was due to Martial Law and the Ilaga-Blackshirt Troubles in the then Province of Cotabato.<sup>28</sup>

The respondent, however, counters that: (1) the petitioner is not an illiterate non-Christian and he, in fact, was able to execute, sign in Arabic, and understand the terms and conditions of the Special Power of Attorney dated July 23, 1996 issued in favor of Baikong Akang (Baikong); (2) the Deed of Sale is valid as its terms and conditions were reviewed by the Municipal Council of Isulan and the Provincial Board of Cotabato; and (3) the Deed of Sale is a contract of sale and not a contract to sell.<sup>29</sup>

### **Ruling of the Court**

The Court finds the petition devoid of merit.

### **Issue Raised for the First Time on Appeal is Barred by Estoppel**

The petitioner asserts that the Deed of Sale was notarized by Atty. Gualberto B. Baclig who was not authorized to administer the same, hence, null and void. This argument must be rejected as it is being raised for the first time only in this petition. In his arguments before the RTC and the CA, the petitioner focused mainly on the validity and the nature of the Deed of Sale, and whether there was payment of the purchase price. The rule is settled that issues raised for the first time on appeal and not raised in the proceedings in the lower court are barred by estoppel. To consider the alleged facts and arguments raised belatedly would amount to trampling on the basic principles of fair play, justice, and due process.<sup>30</sup> Accordingly, the petitioner's attack on the validity of the Deed of Sale *vis-à-vis* its compliance with the 2004 New Notarial Law must be disregarded.<sup>31</sup>

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<sup>27</sup> Id. at 7-8.

<sup>28</sup> Id. at 15.

<sup>29</sup> Id. at 100-120.

<sup>30</sup> *Imani v. Metropolitan Bank & Trust Company*, G.R. No. 187023, November 17, 2010, 635 SCRA 357, 371.

<sup>31</sup> *Lorzano v. Tabayag, Jr.*, G.R. No. 189647, February 6, 2012, 665 SCRA 38.

### **The Deed of Sale is a Valid Contract of Sale**

The petitioner alleges that the Deed of Sale is merely an agreement to sell, which was not perfected due to non-payment of the stipulated consideration.<sup>32</sup> The respondent, meanwhile, claims that the Deed of Sale is a valid and perfected contract of absolute sale.<sup>33</sup>

A contract of sale is defined under Article 1458 of the Civil Code:

By the contract of sale, one of the contracting parties obligates himself to transfer the ownership of and to deliver a determinate thing, and the other to pay therefore a price certain in money or its equivalent.

The elements of a contract of sale are: (a) consent or meeting of the minds, that is, consent to transfer ownership in exchange for the price; (b) determinate subject matter; and (c) price certain in money or its equivalent.<sup>34</sup>

A contract to sell, on the other hand, is defined by Article 1479 of the Civil Code:

[A] bilateral contract whereby the prospective seller, while expressly reserving the ownership of the subject property despite delivery thereof to the prospective buyer, binds himself to sell the said property exclusively to the prospective buyer upon fulfillment of the condition agreed upon, that is, full payment of the purchase price.

In a contract of sale, the title to the property passes to the buyer upon the delivery of the thing sold, whereas in a contract to sell, the ownership is, by agreement, retained by the seller and is not to pass to the vendee until full payment of the purchase price.<sup>35</sup>

The Deed of Sale executed by the petitioner and the respondent is a perfected contract of sale, all its elements being present. There was mutual agreement between them to enter into the sale, as shown by their free and voluntary signing of the contract. There was also an absolute transfer of ownership of the property by the petitioner to the respondent as shown in the stipulation: “x x x I [petitioner] hereby sell, transfer, cede, convey and assign as by these presents do have sold, transferred, ceded, conveyed and

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<sup>32</sup> Rollo, p. 45.

<sup>33</sup> Id. at 108.

<sup>34</sup> *David v. Misamis Occidental II Electric Cooperative, Inc.*, G.R. No. 194785, July 11, 2012, 676 SCRA 367, 376-377.

<sup>35</sup> *Heirs of Paulino Atienza v. Espidol*, G.R. No. 180665, August 11, 2010, 628 SCRA 256, 262, citing *Lim v. Court of Appeals*, 261 Phil. 690, 695 (1990).



*assigned, x x x.*”<sup>36</sup> There was also a determinate subject matter, that is, the two-hectare parcel of land as described in the Deed of Sale. Lastly, the price or consideration is at Three Thousand Pesos (₱3,000.00), which was to be paid after the execution of the contract. The fact that no express reservation of ownership or title to the property can be found in the Deed of Sale bolsters the absence of such intent, and the contract, therefore, could not be one to sell. Had the intention of the petitioner been otherwise, he could have: (1) immediately sought judicial recourse to prevent further construction of the municipal building; or (2) taken legal action to contest the agreement.<sup>37</sup> The petitioner did not opt to undertake any of such recourses.

### **Payment of consideration or purchase price**

The petitioner’s allegation of non-payment is of no consequence taking into account the Municipal Voucher presented before the RTC, which proves payment by the respondent of Three Thousand Pesos (₱3,000.00). The petitioner, notwithstanding the lack of the Municipal Treasurer’s approval, admitted that the signature appearing on the Municipal Voucher was his and he is now estopped from disclaiming payment.

Even assuming, *arguendo*, that the petitioner was not paid, such non payment is immaterial and has no effect on the validity of the contract of sale. A contract of sale is a consensual contract and what is required is the meeting of the minds on the object and the price for its perfection and validity.<sup>38</sup> In this case, the contract was perfected the moment the petitioner and the respondent agreed on the object of the sale – the two-hectare parcel of land, and the price – Three Thousand Pesos (₱3,000.00). Non-payment of the purchase price merely gave rise to a right in favor of the petitioner to either demand specific performance or rescission of the contract of sale.<sup>39</sup>

### **Sections 145 and 146 of the Administrative Code of Mindanao and Sulu, and Section 120 of the PLA, as amended, are not applicable**

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<sup>36</sup> *Rollo*, p. 35.

<sup>37</sup> *Id.* at 36-37.

<sup>38</sup> *Province of Cebu v. Heirs of Rufina Morales*, G.R. No. 170115, February 19, 2008, 546 SCRA 315, 323.

<sup>39</sup> *Id.* at 324.

The petitioner relies on the foregoing laws in assailing the validity of the Deed of Sale, claiming that the contract lacks executive approval and that he is an illiterate non-Christian to whom the benefits of Sections 145 and 146 of the Administrative Code of Mindanao and Sulu should apply.

Section 145 of the Administrative Code of Mindanao and Sulu essentially provides for the requisites of the contracts entered into by a person with any Moro or other non-Christian inhabitants.<sup>40</sup> Section 146,<sup>41</sup> meanwhile, provides that contracts entered into in violation of Section 145 are void. These provisions aim to safeguard the patrimony of the less developed ethnic groups in the Philippines by shielding them against imposition and fraud when they enter into agreements dealing with realty.<sup>42</sup>

Section 120 of the PLA (Commonwealth Act No. 141) affords the same protection.<sup>43</sup> R.A. No. 3872<sup>44</sup> likewise provides that conveyances and encumbrances made by illiterate non-Christian or literate non-Christians

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<sup>40</sup> These provisions read:

Sec. 145. Contracts with non-Christians: requisites.—Save and except contracts of sale or barter of personal property and contracts of personal service comprehended in chapter seventeen hereof no contract or agreement shall be made in the Department by any person with any Moro or other non-Christian inhabitant of the same for the payment or delivery of money or other thing of value in present or in prospective, or any manner affecting or relating to any real property, unless such contract or agreement be executed and approved as follows:

(a) Such contract or agreement shall be in writing, and a duplicate thereof delivered to each party.

(b) It shall be executed before a judge of a court of record, justice or auxiliary justice of the peace, or notary public, and shall bear the approval of the provincial governor wherein the same was executed or his representative duly authorized in writing for such purpose, indorsed upon it.

(c) It shall contain the names of all parties in interest, their residence and occupation; x x x

(d) It shall state the time when and place where made, the particular purpose for which made, the special thing or things to be done under it, and, if for the collection of money, the basis of the claim, the source from which it is to be collected and the person or persons to whom payment is to be made, the disposition to be made thereof when collected, the amount or rate per centum of the fee in all cases; and if any contingent matter or condition constitutes a part of the contract or agreement, the same shall be specifically set forth.

(e) x x x

(f) The judge, justice or auxiliary justice of the peace, or notary public before whom such contract or agreement is executed shall certify officially thereon the time when and the place where such contract or agreement was executed, and that it was in his presence, and who are the interested parties thereto, as stated to him at the time; the parties making the same; the source and extent of authority claimed at the time by the contracting parties to make the contract or agreement, and whether made in person or by agent or attorney of any party or parties thereto.

<sup>41</sup> Sec. 146. Void contracts. — Every contract or agreement made in violation of the next preceding section shall be null and void; x x x.

<sup>42</sup> *Jandoc-Gatdula v. Dimalanta*, 528 Phil. 839, 858-859 (2006), citing *Cunanan v. CA*, 134 Phil. 338, 341-342 (1968).

<sup>43</sup> Sec. 120 states:

Conveyance and encumbrance made by persons belonging to the so-called “non-christian Filipinos” or national cultural minorities, when proper, shall be valid if the person making the conveyance or encumbrance is able to read and can understand the language in which the instrument of conveyance or encumbrances is written. Conveyances or encumbrances made by illiterate non-Christian or literate non-Christians where the instrument of conveyance or encumbrance is in a language not understood by the said literate non-Christians shall not be valid unless duly approved by the Chairman of the Commission on National Integration.

<sup>44</sup> Entitled, “An Act to Amend Sections Forty-four, forty-eight and one hundred Twenty of Commonwealth Act Numbered One Hundred Forty-one, As Amended otherwise Known as the ‘Public Land Act, and for other Purposes,” approved on June 18, 1964.

where the instrument of conveyance or encumbrance is in a language not understood by said literate non-Christians shall not be valid unless duly approved by the Chairman of the Commission on National Integration.

In *Jandoc-Gatdula v. Dimalanta*,<sup>45</sup> however, the Court categorically stated that while the purpose of Sections 145 and 146 of the Administrative Code of Mindanao and Sulu in requiring executive approval of contracts entered into by cultural minorities is indeed to protect them, **the Court cannot blindly apply that law without considering how the parties exercised their rights and obligations.** In this case, Municipality Resolution No. 70, which approved the appropriation of ₱3,000.00, was, in fact, accepted by the Provincial Board of Cotabato. In approving the appropriation of ₱3,000.00, the Municipal Council of Isulan and the Provincial Board of Cotabato, necessarily, scrutinized the Deed of Sale containing the terms and conditions of the sale. Moreover, there is nothing on record that proves that the petitioner was duped into signing the contract, that he was taken advantage of by the respondent and that his rights were not protected.

The court's duty to protect the native vendor, however, should not be carried out to such an extent as to deny justice to the vendee when truth and justice happen to be on the latter's side. The law cannot be used to shield the enrichment of one at the expense of another. More important, the law will not be applied so stringently as to render ineffective a contract that is otherwise valid, except for want of approval by the CNI. This principle holds, especially when the evils sought to be avoided are not obtaining.<sup>46</sup>

The Court must also reject the petitioner's claim that he did not understand the import of the agreement. He alleged that he signed in Arabic the Deed of Sale, the Joint Affidavit and the Municipal Voucher, which were all in English, and that he was not able to comprehend its contents. Records show the contrary. The petitioner, in fact, was able to execute in favor of Baikong a Special Power of Attorney (SPA) dated July 23, 1996, which was written in English albeit signed by the petitioner in Arabic. Said SPA authorized Baikong, the petitioner's sister, to follow-up the payment of the purchase price. This raises doubt on the veracity of the petitioner's allegation that he does not understand the language as he would not have been able to execute the SPA or he would have prevented its enforcement.

### **The Petitioner's Claim for Recovery of Possession and Ownership is Barred by Laches**

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<sup>45</sup> 528 Phil. 839 (2006).

<sup>46</sup> Id. at 859.

Laches has been defined as the failure or neglect, for an unreasonable and unexplained length of time, to do that which, by exercising due diligence could or should have been done earlier.<sup>47</sup> It should be stressed that laches is not concerned only with the mere lapse of time.<sup>48</sup>

As a general rule, an action to recover registered land covered by the Torrens System may not be barred by laches.<sup>49</sup> Neither can laches be set up to resist the enforcement of an imprescriptible legal right.<sup>50</sup> In exceptional cases, however, the Court allowed laches as a bar to recover a titled property. Thus, in *Romero v. Natividad*,<sup>51</sup> the Court ruled that laches will bar recovery of the property even if the mode of transfer was invalid. Likewise, in *Vda. de Cabrera v. CA*,<sup>52</sup> the Court ruled:

In our jurisdiction, it is an enshrined rule that **even a registered owners of property may be barred from recovering possession of property by virtue of laches**. Under the Land Registration Act (now the Property Registration Decree), no title to registered land in derogation to that of the registered owner shall be acquired by prescription or adverse possession. The same is not true with regard to laches. x x x.<sup>53</sup> (Citation omitted and emphasis supplied)

More particularly, laches will bar recovery of a property, even if the mode of transfer used by an alleged member of a cultural minority lacks executive approval.<sup>54</sup> Thus, in *Heirs of Dicman v. Cariño*,<sup>55</sup> the Court upheld the Deed of Conveyance of Part Rights and Interests in Agricultural Land executed by Ting-el Dicman in favor of Sioco Cariño despite lack of executive approval. The Court stated that “despite the judicial pronouncement that the sale of real property by illiterate ethnic minorities is null and void for lack of approval of competent authorities, the right to recover possession has nonetheless been barred through the operation of the equitable doctrine of laches.”<sup>56</sup> Similarly in this case, while the respondent may not be considered as having acquired ownership by virtue of its long and continued possession, nevertheless, the petitioner’s right to recover has been converted into a stale demand due to the respondent’s long period of possession and by the petitioner’s own inaction and neglect.<sup>57</sup> The Court cannot accept the petitioner’s explanation that his delayed filing and assertion of rights was due to Martial Law and the Cotabato Ilaga-Black Shirt Troubles. The Martial Law regime was from 1972 to 1986, while the

<sup>47</sup> Id. at 854; *Isabela Colleges, Inc. v. The Heirs of Tolentino-Rivera*, 397 Phil. 955, 969 (2000).

<sup>48</sup> *Pineda v. Heirs of Eliseo Guevara*, 544 Phil. 554, 562 (2007).

<sup>49</sup> *Mateo v. Diaz*, 424 Phil. 772, 781 (2002).

<sup>50</sup> *Heirs of Ingjug-Tiro v. Spouses Casals*, 415 Phil. 665, 674 (2001).

<sup>51</sup> 500 Phil. 322 (2005).

<sup>52</sup> 335 Phil. 19 (1997).

<sup>53</sup> Id. at 34.

<sup>54</sup> Supra note 45, at 854.

<sup>55</sup> 523 Phil. 630 (2006).

<sup>56</sup> Id. at 661.

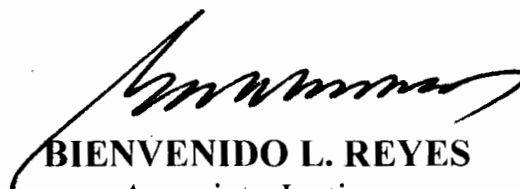
<sup>57</sup> *Mejia de Lucas v. Gamponia*, 100 Phil. 277, 282-284 (1956).

Iliga-Black Shirt Troubles were from the 1970s to the 1980s. The petitioner could have sought judicial relief, or at the very least made his demands to the respondent, as early as the third quarter of 1962 after the execution of the Deed of Sale and before the advent of these events. Moreover, even if, as the petitioner claims, access to courts were restricted during these times, he could have immediately filed his claim after Martial Law and after the Cotabato conflict has ended. The petitioner's reliance on the Court's treatment of Martial Law as *force majeure* that suspended the running of prescription in *Development Bank of the Philippines v. Pundogar*<sup>58</sup> is inapplicable because the Court's ruling therein pertained to prescription and not laches. Consequently, the petitioner's lengthy inaction sufficiently warrants the conclusion that he acquiesced or conformed to the sale.

*Vigilantibus sed non dormientibus jura subvernunt.* The law aids the vigilant, not those who sleep on their rights. This legal percept finds application in the petitioner's case.


**WHEREFORE**, the appeal is **DENIED**. The Decision dated April 25, 2008 and Resolution dated October 29, 2008 of the Court of Appeals Mindanao Station in CA-G.R. CV No. 00156 are **AFFIRMED**.

**SO ORDERED.**



**BIENVENIDO L. REYES**  
Associate Justice

**WE CONCUR:**



**MARIA LOURDES P. A. SERENO**  
Chief Justice  
Chairperson

<sup>58</sup>

G.R. No. 96921, January 29, 1993, 218 SCRA 118.


  
**TERESITA J. LEONARDO-DE CASTRO**  
Associate Justice

  
**LUCAS P. BERSAMIN**  
Associate Justice

  
**MARTIN S. VILLARAMA, JR.**  
Associate Justice

### **CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

  
**MARIA LOURDES P. A. SERENO**  
Chief Justice.