

FIRST DIVISION

[G.R. No. 146548, December 18, 2009]

HEIRS OF DOMINGO HERNANDEZ, SR., NAMELY: SERGIA V. HERNANDEZ (SURVIVING SPOUSE), DOMINGO V. HERNANDEZ, JR., AND MARIA LEONORA WILMA HERNANDEZ, PETITIONERS, vs. PLARIDEL MINGOA, SR., DOLORES CAMISURA, MELANIE MINGOA AND QUEZON CITY REGISTER OF DEEDS,^[1] RESPONDENTS.

D E C I S I O N

This is a petition for review on *certiorari* of the **Decision^[2] dated September 7, 2000** and **Resolution^[3] dated December 29, 2000**, both of the Court of Appeals (CA), in *CA-G.R. CV No. 54896*. The CA Decision reversed and set aside the decision of the Regional Trial Court (RTC) of Quezon City (Branch 92), which ruled in favor of herein petitioners in the action for reconveyance filed by the latter in said court against the respondents. The CA Resolution denied the petitioners' motion for reconsideration.

The subject matter of the action is a parcel of land with an area of 520.50 square meters situated in Diliman, Quezon City, described as Lot 15, Block 89 of the subdivision plan Psd-68807, covered by Transfer Certificate of Title (TCT) No. 107534^[4] issued on May 23, 1966 and registered in the name of Domingo B. Hernandez, Sr. married to Sergia V. Hernandez. Later on, said TCT No. 107534 was cancelled and in lieu thereof, TCT No. 290121^[5] was issued in favor of Melanie Mingoa.

These are the factual antecedents of this case:

On February 11, 1994, a complaint^[6] was filed with the RTC of Quezon City by herein petitioners, heirs of Domingo Hernandez, Sr., namely, spouse Sergia Hernandez and their surviving children Domingo, Jr. and Maria Leonora Wilma, against the respondents herein, Dolores Camisura, Melanie Mingoa, Atty. Plaridel Mingoa, Sr. and all persons claiming rights under the latter, and the Quezon City Register of Deeds. The case was docketed as Civil Case No. 094-19276.

In their complaint, the petitioners asked for (a) the annulment and/or declaration of nullity of TCT No. 290121 including all its derivative titles, the Irrevocable Special Power of Attorney (SPA) dated February 14, 1963 in favor of Dolores Camisura,^[7] the SPA dated May 9, 1964 in favor of Plaridel Mingoa, Sr.,^[8] and the Deed of Absolute Sale of Real Estate^[9] dated July 9, 1978 executed by Plaridel Mingoa, Sr. in favor of Melanie Mingoa for being products of forgery and falsification; and (b) the reconveyance and/or issuance to them (petitioners) by the Quezon City Register of Deeds of the certificate of title covering the subject property.

Respondents filed a Motion to Dismiss^[10] the complaint interposing the following grounds: the claim or demand has been paid, waived, abandoned or otherwise extinguished; lack of cause of action; lack of jurisdiction over the person of the defendants or over the subject or nature of the suit; and prescription. The following were attached to said motion: a Deed of Transfer of Rights^[11] dated February 14, 1963 from Domingo Hernandez, Sr. to Camisura, the Irrevocable SPA^[12] executed by the former in the latter's favor, and a Deed of Sale of Right in a Residential Land and Improvements Therein^[13] dated May 9, 1964 executed by Camisura in favor of Plaridel Mingoa, Sr.

In its Order^[14] dated September 1, 1994, the trial court denied respondents' motion to dismiss.

Respondents filed a petition for *certiorari* and prohibition with the CA assailing the aforementioned Order of denial by the RTC. Their initial petition was dismissed for being insufficient in form. Respondents then re-filed their petition, which was docketed as *CA-G.R. SP No. 36868*. In a decision^[15] dated May 26, 1995, respondents' re-filed petition was denied due course by the CA. Having been filed beyond the reglementary period, respondents' subsequent motion for reconsideration was simply noted by the CA in its Resolution of July 7, 1995. On the basis of a technicality, this Court, in a Resolution dated September 27, 1995, dismissed respondents' appeal which was docketed as *G.R. No. 121020*. Per Entry of Judgment,^[16] said Resolution became final and executory on January 2, 1996.

Meanwhile, respondents filed their Answer^[17] in the main case therein denying the allegations of the complaint and averring as defenses the same grounds upon which they anchored their earlier motion to dismiss.

The parties having failed to amicably settle during the scheduled pre-trial conference, the case proceeded to trial.

The evidence respectively presented by the parties is summarized as follows:^[18]

x x x [It] appears that in the early part of 1958, Domingo Hernandez, Sr. (who was then a Central Bank employee) and his spouse Sergia V. Hernandez were awarded a piece of real property by the Philippine Homesite and Housing Corporation (PHHC) by way of salary deduction. On October 18, 1963, the [petitioners] then having paid in full the entire amount of P6,888.96, a Deed of Absolute Sale of the property was executed by the PHHC in their favor. TCT No. 107534, covering the property was issued to the [petitioners] on May 23, 1966. It bears an annotation of the retention period of the property by the awardee (i.e., restriction of any unauthorized sale to third persons within a certain period). Tax payments due on the property were religiously paid (until 1955) by the [petitioners] as evidenced by receipts under the [petitioners'] name.

Hernandez, Sr. died intestate in April 1983 and it was only after his burial

that his heirs found out that TCT No. 107534 was already cancelled a year before (in 1982), and in lieu thereof, TCT No. 290121 was issued to the [respondents]. Upon diligent inquiry, [petitioners] came to know that the cancellation of TCT (No. 107534) in favor of the [respondents'] xxx TCT (No. 290121) was based upon three sets of documents, namely, (1) Irrevocable Power of Attorney; (2) Irrevocable Special Power of Attorney; and (3) Deed of Absolute Sale.

[Petitioners] also allege that because of financial difficulties, they were only able to file a complaint on February 11, 1995 after consulting with several lawyers.

x x x x

[Respondents] xxx on the other hand do not deny that Hernandez, Sr. was indeed awarded a piece of real property by the PHHC. According to the [respondents] xxx, Hernandez, Sr. was awarded by the PHHC the Right to Purchase the property in question; however, the late Hernandez, Sr. failed to pay all the installments due on the said property. Thus, afraid that he would forfeit his right to purchase the property awarded to him, Hernandez, Sr. sold to Dolores Camisura his rights for the sum of P6,500.00 on February 14, 1963, through a deed of transfer of rights, seemingly a printed form from the PHHC. Simultaneous to this, Hernandez, Sr. and his spouse executed an irrevocable special power of attorney, appointing Dolores Camisura as their attorney-in-fact with express power to sign, execute and acknowledge any contract of disposition, alienation and conveyance of her right over the aforesaid parcel of land.

Apparently, this special power of attorney was executed for the purpose of securing her right to transfer the property to a third person considering that there was a prohibition to dispose of the property by the original purchaser within one (1) year from full payment. Else wise stated, the irrevocable power of attorney was necessary in order to enable the buyer, Dolores Camisura, to sell the lot to another, Plaridel Mingoa, without the need of requiring Hernandez, to sign a deed of conveyance.

On May 9, 1964, Dolores Camisura sold her right over the said property to Plaridel Mingoa for P7,000.00. Camisura then executed a similar irrevocable power of attorney and a deed of sale of right in a residential land and improvements therein in favor of Plaridel Mingoa. Upon such payment and on the strength of the said irrevocable power of attorney, Plaridel Mingoa took possession of the said property and began paying all the installments due on the property to PHHC. Plaridel Mingoa further secured TCT No. 107534 (issued in the name of Domingo Hernandez, Sr.) on May, 1966. On July 9, 1978, Plaridel Mingoa sold to his eldest child, Melanie Mingoa, the property in question for P18,000.00. TCT No. 107534 was thus cancelled and TCT No. 290121 was issued in the name of Melanie Mingoa. It is further claimed that since 1966 until 1982, Plaridel Mingoa religiously paid all the taxes due on the said property; and that from 1983 up to the present, Melanie Mingoa paid all the

property taxes due thereon aside from having actual possession of the said property. (words in brackets ours)

On May 9, 1996, the RTC rendered a decision^[19] in favor of the petitioners, with the following dispositive portion:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiffs as follows:

- 1) TCT No. 290121 and all its derivative titles are hereby declared null and void;
- 2) Ordering the Register of Deeds of Quezon City to cancel TCT No. 290121 issued in the name of defendant Melanie Mingo and corresponding owner's duplicate certificate and all its derivative title[s];
- 3) Ordering defendant Melanie Mingo and all derivative owners to surrender owner's duplicate copies of transfer certificate of title to the Register of Deeds of Quezon City for cancellation upon finality of this decision;
- 4) Ordering the defendants except the Register of Deeds of Quezon City to turn over to the plaintiffs the peaceful possession of the subject property; and
- 5) Ordering the defendants except the Register of Deeds of Quezon City to jointly and severally (sic) pay the plaintiffs the sum of P10,000.00 as attorney's [fees] and to pay the costs of suit.

SO ORDERED.

In ruling in favor of petitioners, the trial court reasoned as follows:^[20]

The two (2) parties in the case at bar gave out conflicting versions as to who paid for the subject property. The plaintiffs claim that they were the ones who paid the entire amount out of the conjugal funds while it is the contention of the defendant Mingo that the former were not able to pay. The defendant alleged that the right to purchase was sold to him and he was able to pay the whole amount. The Court is of the opinion that petitioners' version is more credible taken together with the presence of the irrevocable power of attorney which both parties admitted. In light of the version of the defendants, it is highly improbable that a Power of Attorney would be constituted by the plaintiffs authorizing the former to sell the subject property. This is because for all intents and purposes, the land is already the defendants' for if we are to follow their claim, they paid for the full amount of the same. It can be safely concluded then that the Power of Attorney was unnecessary because the defendants, as buyers, can compel the plaintiff-sellers to execute the transfer of the said property after the period of prohibition has lapsed. The defendants, as

owners, will have the right to do whatever they want with the land even without an Irrevocable Power of Attorney. Since the presence of the Irrevocable Power of Attorney is established, it is now the task of this Court to determine the validity of the sale made by virtue of the said Power of Attorney. As what was said earlier, the Court subscribes to the points raised by the plaintiffs. It was proved during trial that the signature of the wife was falsified. Therefore, it is as if the wife never authorized the agent to sell her share of the subject land, it being conjugal property. It follows that the sale of half of the land is invalid. However, it must be pointed out that the signature of the deceased husband was never contested and is therefore deemed admitted. We now come to the half which belongs to the deceased husband. The Law on Sales expressly prohibits the agent from purchasing the property of the principal without the latter's consent (Article 1491 of the Civil Code). It was established from the records that defendant Plaridel Mingoa sold the subject land to his daughter Melanie. It is now for the Court to decide whether this transaction is valid. x x x Considering that the sale took place in July 1978, it follows from simple mathematical computation that Melanie was then a minor (20 years of age) when she allegedly bought the property from her father. Since Melanie's father is the sub-agent of the deceased principal, he is prohibited by law from purchasing the land without the latter's consent. This being the case, the sale is invalid for it appears that Plaridel Mingoa sold the land to himself. It should be noted that the defendants could have easily presented Melanie's birth certificate, it being at their disposal, but they chose not to. Because of this, this Court is of the belief that the presumption that evidence willfully suppressed would be adverse if produced arises.

The trial court denied respondents' motion for reconsideration of the aforementioned decision in its Order^[21] of August 22, 1996.

Aggrieved, the respondents appealed to the CA, where their case was docketed as CA-G.R. CV No. 54896. Holding that the petitioners were barred by prescription and *laches* to take any action against the respondents, the CA, in its herein assailed **Decision^[22] dated September 7, 2000**, reversed and set aside the appealed decision, thereby dismissing the complaint filed by the petitioners before the trial court. In full, the disposition reads:

WHEREFORE, in view of the foregoing, the Decision of the RTC Branch 92, Quezon City, in Civil Case No. Q-94-19276, entitled, "Heirs of Domingo Hernandez, Sr. vs. Dolores Camisura, et. al.," is hereby REVERSED AND SET ASIDE. A new one is hereby entered, DISMISSING the complaint in Civil Case No. Q-94-19276 entitled, "Heirs of Domingo Hernandez, Sr. vs. Dolores Camisura, et. al.," filed by the plaintiffs-appellees before the RTC Branch 92, Quezon City for lack of merit.

SO ORDERED.

Petitioners' subsequent motion for reconsideration was denied by the CA in its