

FIRST DIVISION

[G.R. No. 105647*, July 31, 2001]

HEIRS OF ERNESTO BIONA, NAMELY: EDITHA B. BLANCAFLOR, MARIANITA D. DE JESUS, VILMA B. BLANCAFLOR, ELSIE B. RAMOS AND PERLITA B. CARMEN, PETITIONERS, VS. THE COURT OF APPEALS AND LEOPOLDO HILAJOS, RESPONDENTS.

D E C I S I O N

KAPUNAN, J.:

Before us is a petition for review on certiorari under Rule 45 of the Decision of the Court of Appeals dated March 31, 1992, reversing the decision of the Regional Trial Court, 11th Judicial region, Branch 26, Surallah, South Cotabato and the Resolution dated May 26, 1992, denying the subsequent motion for reconsideration.

Quoting from the decision of the Court of Appeals, the antecedent facts are as follows:

On October 23, 1953, the late Ernesto Biona, married to plaintiff-appellee Soledad Biona, was awarded Homestead Patent No. V-840 over the property subject of this suit, a parcel of agricultural land denominated as lot 177 of PLS-285-D, located in Bo. 3, Banga, Cotabato, containing an area of ten (10) hectares, forty-three (43) acres and sixty-eight (68) centares, Original Certificate of Title No. (V-2323) P-3831 was issued in his name by the Register of Deeds of Cotabato (Exh. C). On June 3, 1954, Ernesto and Soledad Biona obtained a loan from the then Rehabilitation Finance Corporation (now the Development Bank of the Philippines) and put up as collateral the subject property (Exh. 4). On June 12, 1956, Ernesto Biona died (Exh. B) leaving as his heirs herein plaintiffs-appellees, namely, his wife, Soledad Estrobillo Vda. De Biona, and five daughters, Editha B. Blancaflor, Marianita B. de Jesus, Vilma B. Blancaflor, Elsie B. Ramos and Perlita B. Carmen.

On March 1, 1960, plaintiff-appellee Soledad Biona obtained a loan from defendant-appellant in the amount of P1,000 and as security therefore, the subject property was mortgaged. It was further agreed upon by the contracting parties that for a period of two years until the debt is paid, defendant-appellant shall occupy the land in dispute and enjoy the usufruct thereof.

The two-year period elapsed but Soledad Biona was not able to pay her indebtedness. Defendant-appellant continued occupying and cultivating the subject property without protest from plaintiffs-appellees.

On July 3, 1962, defendant-appellant paid the sum of P1,400.00 to the

Development Bank of the Philippines to cancel the mortgage previously constituted by the Biona spouses on June 3, 1953 (Exhs. 4 and 6).

Thereafter, and for a period of not less than twenty-five years, defendant-appellant continued his peaceful and public occupation of the property, declaring it in his name for taxation purposes (Exhs. 10 and 11), paying real estate property taxes thereon (Exhs. 12, 13, 13-a to 13-e, F, G, H and I), and causing the same to be tenanted (Exhs. 7, 8, 9).

On June 19, 1985, plaintiffs-appellees, filed a complaint for recovery of ownership, possession, accounting and damages, with a prayer for a writ of preliminary mandatory injunction and/ or restraining order against defendant-appellant alleging, among others, that the latter had unlawfully been depriving them of the use, possession and enjoyment of the subject property; that the entire parcel of land, which was devoted and highly suited to palay and corn, was yielding three harvests annually, with an average of one hundred twenty (120) sacks of corn and eighty cavans of rice per hectare; that plaintiffs-appellees were deprived of its total produce amounting to P150,000.00. Plaintiffs-appellees prayed for the award of moral damages in the sum of P50,000.00, exemplary damages in the amount of P20,000.00 and litigation expenses in the amount of P2,000.00.

On September 19, 1986, defendant-appellant filed his answer with counterclaim traversing the material allegations in the complaint and alleging, by way of affirmative and special defenses, that: on September 11, 1961, Soledad Biona, after obtaining the loan of P1,000.00 from defendant-appellant, approached and begged the latter to buy the whole of Lot No. 177 since it was then at the brink of foreclosure by the Development Bank of the Philippines and she had no money to redeem the same nor the resources to support herself and her five small children; that defendant-appellant agreed to buy the property for the amount of P4,300.00, which consideration was to include the redemption price to be paid to the Development Bank of the Philippines; that the purchase price paid by defendant far exceeded the then current market value of the property and defendant had to sell his own eight-hectare parcel of land in Surallah to help Soledad Biona; that to evidence the transaction, a deed of sale was handwritten by Soledad Biona and signed by her and the defendant; that at the time of the sale, half of the portion of the property was already submerged in water and from the years 1969 to 1984, two and one-half hectares thereof were eroded by the Allah River; that by virtue of his continuous and peaceful occupation of the property from the time of its sale and for more than twenty- five years thereafter, defendant possesses a better right thereto subject only to the rights of the tenants whom he had allowed to cultivate the land under the Land Reform Program of the government; that the complaint states no cause of action; that plaintiff's alleged right, if any, is barred by the statutes of fraud. As counterclaim, defendant-appellant prayed that plaintiffs-appellees be ordered to execute a formal deed of sale over the subject property and to pay him actual, moral and exemplary damages as the trial court may deem proper. He likewise prayed for the award of attorney's fees in the sum of P10,000.00.

During the hearing of the case, plaintiffs-appellees presented in evidence the testimonies of Editha Biona Blancaflor and Vilma Biona Blancaflor, and documentary exhibits A to G and their submarkings.

Defendant-appellant, for his part, presented the testimonies of himself and Mamerto Famular, including documentary exhibits 1 to 13, F, G, H, I, and their submarkings.^[1]

On January 31, 1990, the RTC rendered a decision with the following dispositive portion:

I (SIC) VIEW OF THE FOREGOING, decision is hereby rendered:

1. ordering the defendant to vacate possession of the lot in question to the extent of six-tenths (6/10) of the total area thereof and to deliver the same to the plaintiff Soledad Estrobillo Biona upon the latter's payment of the sum of P1,000.00 TO THE FORMER IN REDEMPTION OF ITS MORTGAGE CONSTITUTED UNDER exh. "1" of defendant;
2. ordering the defendant to vacate the possession of the remaining four-tenths (4/10) of the area of the lot in question, representing the shares of the children of the late Ernesto Biona and deliver the same to said plaintiffs; the defendant shall render an accounting of the net produce of the area ordered returned to the co-plaintiffs of Soledad Biona commencing from the date of the filing of the complaint until possession thereto has been delivered to said co-plaintiffs and to deliver or pay 25% of said net produce to said co-plaintiffs;
3. ordering the defendant to pay the costs of this suit.

The defendant's counter-claim are dismissed for lack of merit.

SO ORDERED.^[2]

Dissatisfied, herein private respondent appealed to the Court of Appeals which reversed the trial court's ruling. The dispositive portion reads as follows:

WHEREFORE, premises considered, the judgment appealed from is set aside and a new one entered dismissing the complaint, and the plaintiffs-appellees are ordered to execute a registrable deed of conveyance of the subject property in favor of the defendant-appellant within ten (10) days from the finality of this decision. With costs against plaintiffs-appellees.

^[3]

Hence, the instant petition where the following assignment of errors were made:

I.- RESPONDENT COURT OF APPEALS ERRED IN CONCLUDING THAT THE SIGNATURE OF SOLEDAD ESTROBILLO IN THE DEED OF SALE (EXHIBIT "2"), A PRIVATE DOCUMENT, IS GENUINE.

II -RESPONDENT COURT OF APPEALS ERRED IN HOLDING THAT THE DEED OF SALE (EXHIBIT 2) IS VALID AND COULD LEGALLY CONVEY TO PRIVATE RESPONDENT OWNERSHIP AND TITLE OVER THE SUBJECT PROPERTY.

III RESPONDENT COURT OF APPEALS ERRED IN HOLDING THAT
- HEREIN PETITIONERS HAD LOST THEIR RIGHT TO RECOVER THE SUBJECT PROPERTY BY VIRTUE OF THE EQUITABLE PRINCIPLE OF LACHES.

IV-RESPONDENT COURT OF APPEALS ERRED IN NOT HOLDING THAT PRIVATE RESPONDENT'S RIGHT OF ACTION UNDER THE DEED OF SALE (EXHIBIT "2") HAD PRESCRIBED.^[4]

As correctly pointed out by the Court of Appeals, the pivotal issue in the instant case is whether or not the deed of sale is valid and if it effectively conveyed to the private respondents the subject property.

In ruling in favor of the petitioners, the trial court refused to give weight to the evidence of private respondent which consisted of (1) the handwritten and unnotarized deed of sale executed by Soledad Biona in favor of the private respondent; and (2) the corresponding acknowledgment receipt of the amount of P3,500.00 as partial payment for the land in dispute. To the mind of the trial court, the signature of Soledad Biona on the deed of sale was not genuine. There was no direct evidence to prove that Soledad Biona herself signed the document. Moreover, the deed of sale was not notarized and therefore, did not convey any rights to the vendee. The trial court also ruled that petitioners' rights over the land have not allegedly prescribed.

On the other hand, the respondent Court of Appeals accepted as genuine the deed of sale (Exh. 2) which "sets forth in unmistakable terms that Soledad Biona agreed for the consideration of P4,500.00, to transfer to defendant-appellant Lot 177. The fact that payment was made is evidenced by the acknowledgment receipt for P3,500.00 (Exh. 3) signed by Soledad Biona, and private respondent previous delivery of P1,000.00 to her pursuant to the Mutual Agreement (Exh. 1).

The contract of sale between the contracting parties was consummated by the delivery of the subject land to private respondent who since then had occupied and cultivated the same continuously and peacefully until the institution of this suit."^[5]

Given the contrary findings of the trial court and the respondent court, there is a need to re-examine the evidence altogether. After a careful study, we are inclined to agree with the findings and conclusions of the respondent court as they are more in accord with the law and evidence on record.

As to the authenticity of the deed of sale, we subscribe to the Court of Appeals' appreciation of evidence that private respondent has substantially proven that Soledad Biona indeed signed the deed of sale of the subject property in his favor. His categorical statement in the trial court that he himself saw Soledad Estrobito affix her signature on the deed of sale lends credence. This was corroborated by another witness, Mamerto Famular. Although the petitioners consider such testimony as self-serving and biased,^[6] it can not, however, be denied that private respondent